

**REGIONS FINANCIAL CORPORATION  
REGIONS BANK  
AUDIT COMMITTEE CHARTER**

**Purpose**

The Audit Committee (the “Committee”) is appointed by the Boards of Directors (the “Board”) of Regions Financial Corporation and Regions Bank (collectively, the “Company” or “Regions”) to assist and advise the Board in monitoring (a) the integrity of the Company’s financial statements and the financial reporting process, including matters relating to internal accounting and financial controls, (b) the independent auditor’s qualifications and independence, (c) the performance of the Company’s internal audit function and independent auditor, and (d) the Company’s compliance with legal and regulatory requirements. The Committee shall prepare the report required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s proxy statement for the annual meeting of shareholders (the “Audit Committee Report”). The Committee shall perform such other duties and responsibilities enumerated in and consistent with this Charter.

**Committee Membership**

1. The Committee shall consist of a minimum of three (3) members of the Board, with the exact number to be fixed from time to time by the Board. Each Committee member shall (a) meet the independence and other composition requirements of the SEC, the New York Stock Exchange (“NYSE”), the Federal Deposit Insurance Corporation Improvement Act of 1991 (“FDICIA”), and other applicable laws, rules, and regulations governing independence, with satisfaction of such requirements determined by the Board in its business judgment and (b) otherwise satisfy any additional requirements the Board determines appropriate. The Board shall make all determinations of independence in accordance with its business judgment and in accordance with applicable laws and regulations and with SEC and NYSE rules and standards. Each member shall also be financially literate, as such qualification is interpreted by the Board in its business judgment. At least one member of the Committee shall be an “audit committee financial expert” as defined by the SEC.

Committee members may not simultaneously serve on the audit committees of more than two other public companies.

2. Members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee and shall serve at the discretion of the Board.

3. The Board shall designate a Chair for the Committee. In the absence of the Chair at any meeting of the Committee, the members of the Committee may designate one of its members to serve as the Chair of the meeting.

### **Committee Meetings and Structure**

1. The Committee shall meet at least quarterly, or more frequently if the Committee deems necessary, and fully document and maintain records of its proceedings.
2. The Committee shall meet, at least quarterly, separately with (a) management, (b) the Chief Audit Executive, (c) the independent auditor, (d) the Chief Risk Officer, (e) the Director of Credit Review, and (f) certain senior credit officer(s), and have such other direct and independent interaction with such persons (or such other persons) from time to time as the members of the Committee or any of such identified persons deem appropriate. At the Committee's discretion, members may meet in executive session at any meeting of the Committee. In executive session, the Committee may meet with or without representatives of management present or with such representatives of management as the Committee may deem appropriate. The Committee may request any officer or associate of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
3. To the extent permitted under applicable laws, regulations and NYSE rules, the Committee may form one or more subcommittees and delegate to such subcommittees all or a portion of the Committee's authority, duties, and responsibilities. The Committee also may establish such rules as it determines necessary or appropriate for its business.
4. The Committee shall have direct access to, and complete and open communication with, management and associates and may obtain advice and assistance from internal legal, accounting, or other advisors to assist it in fulfilling its duties and responsibilities. In addition, in the course of performing its duties and responsibilities, the Committee also is authorized to select, retain, terminate, and approve the fees and other retention terms of independent legal, accounting, or other advisors as it deems appropriate, without seeking approval of management or the Board. The Company shall be responsible for all related costs or expenses so incurred.
5. In the event of a tie vote on any issue, the Chair's vote shall decide the issue. In the absence or disqualification of any member of the Committee from voting at any meeting of the Committee, the remaining member or members thereof present at such meeting and not disqualified from voting, whether or not the remaining member or members constitute a quorum, may unanimously appoint another member of the Board to act at such meeting in the place of any such absent or disqualified member, provided that such Board member meets the eligibility and independence requirements of the SEC and NYSE as pertaining to the Committee.
6. Except as set forth herein, the Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications

equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

### **Committee Authority and Responsibilities**

The Committee will have the following authority and responsibilities relating to the Company and its subsidiaries, as applicable:

1. The Committee shall have the sole authority to appoint, retain, or replace the independent auditor. The Committee may submit the appointment of the independent auditor for shareholder ratification. The independent auditor shall report directly to the Committee. The Committee shall be responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.
2. The Committee shall pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company or its subsidiaries by its independent auditor, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), that are approved by the Committee prior to the completion of the audit. The Chair is authorized, in his or her sole discretion, to grant pre-approvals of (a) audit and permitted non-audit services to be provided by the Company’s independent auditor in all circumstances and/or (b) services to be provided by other advisors (including significant outsourcing arrangements) in support of the internal audit function, both up to an amount per engagement established by the Committee, provided that such decisions of the Chair to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting for ratification.
3. The Company shall provide for appropriate funding, as determined by the Committee, for payment of (a) compensation to the independent auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attestation services for the Company, (b) compensation to any advisors employed by the Committee, and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
4. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
5. The Committee shall report regularly to the Board, summarizing the matters reviewed and actions taken at each Committee meeting and make available to the Board minutes of all meetings.
6. The Committee shall perform an annual self-evaluation and present the results of the evaluation to the Board.
7. In coordination with the Risk Committee, the Committee shall discuss with management (a) the Company’s major financial risk exposures and (b) the steps management has taken

to monitor and control such exposures, including the guidelines, processes, and policies by which risk assessment and risk management is undertaken with respect to the Company's major financial risk exposures.

8. Review and discuss financial statement and disclosure matters, including:
  - a. Review and discuss with management and the independent auditor the Company's annual audited financial statements, including disclosures made in 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.
  - b. Review and discuss with management and the independent auditor the Company's quarterly financial statements prior to the filing of its Form 10-Q, including the results of the independent auditor's review of the quarterly financial statements and disclosures made in management's discussion and analysis of financial condition and results of operations.
  - c. Review and discuss with management, the internal auditors, and the independent auditor (i) significant financial reporting issues, including, but not limited to, those relating to acquisitions, and judgments made in connection with the preparation of the Company's financial statements; (ii) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles; (iii) any major issues as to the adequacy of the Company's internal controls over financial reporting and any special steps adopted in light of material weaknesses or significant deficiencies in the design or operation of internal controls over financial reporting and the adequacy of disclosures about changes in internal control over financial reporting; and (iv) the allowance for loan and lease losses ("ALLL"), encompassing the overall process for determining ALLL, including related methodology and governance, for which the Committee shall have primary oversight responsibility, and specifically, whether the ALLL estimate is appropriate to include in the financial statements.
  - d. Review and discuss with management, the Chief Audit Executive, and the independent auditor the Company's internal controls report and the independent auditor's attestation of the report prior to the filing of the Company's Form 10-K. Such report includes those required by Section 112 of FDICIA.
9. Review and discuss quarterly reports from the independent auditor, including:
  - a. All critical accounting estimates and related policies and practices to be used.
  - b. All critical audit matters (as that term is defined by the Public Company Accounting Oversight Board ("PCAOB")).
  - c. All alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management,

ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor.

- d. Other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
10. Prepare the Audit Committee Report for inclusion in the Company's proxy statement for the annual meeting of shareholders.
11. Discuss with management the Company's earnings press releases, including the use and presentation of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. This may be done generally (i.e., discussion of the types of information to be disclosed and the type of presentation to be made), and the Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.
12. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives, as well as off-balance sheet structures on the Company's financial statements.
13. Discuss with the independent auditor the matters required to be discussed by applicable PCAOB or other applicable standards, including any problems or difficulties encountered in the course of the audit work; any problems or difficulties relating to the Company's financial statements (whether raised by management, the internal audit division, or the independent auditor); management's response to such problems or difficulties; any restrictions on the scope of activities or on access to requested information; and any significant disagreements with management.
14. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process for the Form 10-K and Form 10-Q regarding any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.
15. Review and discuss any reports concerning material violations submitted to the Committee by Company attorneys or outside counsel pursuant to the SEC attorney professional responsibility rules or otherwise.
16. From time to time, receive updates from management regarding certain regulatory disclosure requirements established by the Basel Committee on Banking Supervision, as implemented by the Board of Governors of the Federal Reserve System.
17. In coordination with the Risk Committee and Technology Committee, receive periodic reports from management regarding the Company's information and cyber security, business continuity planning, and disaster recovery programs, including reports prepared by the Chief Information Security Officer, risk management, and internal audit.

18. In coordination with other committees, as applicable, review shareholder proposals related to audit matters and recommend any Board response.
19. Oversight of the Company's relationship with the independent auditor, including:
  - a. Review and evaluate annually the qualifications, performance, and independence of the lead partner of the independent auditor team.
  - b. Obtain and review a report from the independent auditor, at least annually, regarding (i) the independent auditor's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, or by any inquiry or investigation by governmental or professional authorities, such as PCAOB, within the preceding five years, respecting one or more independent audits carried out by the independent auditor; (iii) any steps taken to resolve any issues listed in clause (ii) above; (iv) any material issues on which the national office of the independent auditor was consulted by the Company's audit team; and (v) all relationships between the independent auditor and the Company to assess the independent auditor's independence, including the matters set forth in the letter provided by the independent auditor pursuant to PCAOB Rule 3526, which supersedes Independence Standards Board Standard No. 1.
  - c. Evaluate the qualifications, performance, and independence of the independent auditor, including considering whether or not (i) the auditor's quality controls are adequate and (ii) the provision of permitted non-audit services is compatible with maintaining the auditor's independence, in each instance taking into account the opinions of management and internal auditors. The Committee shall present its conclusions with respect to the independent auditor to the Board.
  - d. Discuss with the independent auditor any significant issues arising from the most recent PCAOB inspection of the independent auditor, including the independent auditor's response to any identified accounting and/or auditing deficiencies.
  - e. Ensure the rotation of the lead audit partners having primary responsibility for the audit and the audit partner responsible for reviewing the audit, as required by law.
  - f. Along with the Chair, participate in the selection of a new lead audit partner upon rotation.
  - g. Monitor compliance with the hiring policy with regard to employees and former employees of the independent auditor. The policy is that the Company will not hire any employee or former employee of the independent auditor if such hiring would cause the independent auditor to cease being independent under applicable laws; regulations; or SEC, FDICIA, or NYSE rules and standards.
  - h. Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.

- i. Ensure that the Company's independent auditor shares with the Committee all material written communications between the independent auditor and management.
  - j. Review and discuss with the independent auditors any other matters required to be discussed by PCAOB Auditing Standards No. 1301, Communications with Audit Committees.
20. Periodically receive reports from management regarding all material audit and non-audit services fees paid to registered public accounting firms other than the Company's independent auditors.
21. Oversight of the Company's internal audit function, including:
- a. Review and approve the appointment and replacement of the Chief Audit Executive, who reports to the Committee and administratively to Regions' Chief Executive Officer. Review and approve the assessment of the performance and determination of the compensation of the Chief Audit Executive on an annual basis.
  - b. Review and approve the internal audit division's overall charter.
  - c. Review any significant reports to management, the Committee, or the Chief Audit Executive prepared by the internal audit division and any management responses to such reports, including (i) any significant instances where business units or independent risk management personnel have not adhered to the Company's risk governance framework and (ii) written reports of issues identified (including the identification of the root cause of any issue), and any conclusions and recommendations from the internal audit division based on the internal audit activities conducted.
  - d. Review with the Chief Audit Executive the results of the audit activities conducted by the internal audit division and any other matters the Chief Audit Executive determines necessary.
  - e. Review and approve the general scope of planned internal audit activities (and review any changes therein) and periodically determine that the planned activities are (i) in accordance with professional standards, (ii) sufficiently broad in scope and responsive to the Company's internal control needs, and (iii) executed in a timely manner.
  - f. Review with management and the independent auditor: the Chief Audit Executive; the plans, budget, activities, resources, independence, staffing, and organizational structure of the internal audit division and any recommended changes thereto; and staff qualifications. The final determination of each of these matters is subject to the Committee's approval.
22. Compliance oversight responsibilities, including:

- a. Obtain assurance from the independent auditor that Section 10A(b) of the Exchange Act has not been implicated.
  - b. Discuss with management the Company's process for ensuring compliance with applicable laws, regulations, the Company's Code of Business Conduct and Ethics, and the Code of Conduct for Senior Financial Officers. Discuss with management and the Chief Audit Executive whether or not there have been any violations of such laws, regulations, or codes of conduct that could materially impact the Company's financial statements. Review controls over reports and disclosures of related party transactions.
  - c. Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters, as well as the confidential, anonymous submission by the Company's associates of concerns regarding questionable accounting or auditing matters.
  - d. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports that may raise material issues regarding the Company's financial statements or accounting policies.
  - e. Discuss with the Company's General Counsel and Chief Risk Officer any legal, compliance, and regulatory matters that may have a material impact on the Company's business, financial statements, or compliance policies.
23. The Committee may perform any other activities consistent with this Charter, the Company's Certificate of Incorporation and By-laws, and governing law as the Committee or the Board deems appropriate.

### **Oversight Role of the Committee**

Although the Committee has the duties and responsibilities set forth herein, the function of the Committee is oversight. Management of the Company is responsible for the preparation, presentation, and integrity of the Company's financial statements and for the effectiveness of internal controls over financial reporting. Management is also responsible for maintaining appropriate accounting and financial reporting principles and policies, as well as internal controls and procedures designed to provide reasonable assurance of compliance with accounting standards and related laws and regulations. The internal audit division is responsible for providing reliable and timely information to the Committee and senior management concerning the quality and effectiveness of, and the level of adherence to, the Company's control and compliance procedures and risk management systems. The independent auditor is responsible for planning and carrying out an audit of the Company's financial statements in accordance with generally accepted auditing standards, reviewing the Company's quarterly financial statements prior to the filing of each quarterly report on Form 10-Q, and auditing the effectiveness of internal controls over financial reporting of the Company in accordance with PCAOB standards.



In fulfilling their duties and responsibilities set forth herein, it is recognized that members of the Committee are not employees of the Company, and even though one or more may be designated as an “audit committee financial expert” as defined in the SEC’s rules, members of the Committee are not, and do not represent themselves to be, performing the functions of accountants or auditors or providing expert or special assurance as to the Company’s financial statements. Moreover, it is not the duty or responsibility of the Committee or its members to plan or conduct audits; conduct “field work” or other types of auditing or accounting reviews and procedures; determine that the Company’s financial statements are complete and accurate and in accordance with GAAP and applicable rules and regulations; or set auditor independence standards.