

**CHARTER  
OF THE  
AUDIT COMMITTEE  
OF THE  
BOARD OF DIRECTORS OF  
THE PNC FINANCIAL SERVICES GROUP, INC.**

**AS APPROVED AND AMENDED BY THE BOARD OF DIRECTORS  
ON FEBRUARY 14, 2006**

**I. LEGAL OR OTHER REQUIREMENTS' AUTHORITY ; MINIMUM MEMBERSHIP; MEMBERSHIP REQUIREMENTS; MINIMUM NUMBER OF MEETINGS**

The Audit Committee ("Committee") of the Board of Directors ("Board") of The PNC Financial Services Group, Inc. ("Corporation") is established pursuant to Article V, Section 1.2 of the Corporation's By-Laws ("Bylaws"). The members of the Committee are appointed annually by the Board on the recommendation of the Nominating and Governance Committee and serve until their successors are duly elected and qualified. The Board determines the number of members on the Committee from time to time, but the number will not be fewer than the minimum number prescribed by applicable law, the Bylaws or New York Stock Exchange ("NYSE") requirements. Committee members must fully satisfy independence and experience requirements as prescribed by the NYSE, Section 10A(m)(3) of the Securities Exchange Act of 1934 ("Exchange Act") and the rules and regulations of the Securities and Exchange Commission ("SEC"), and the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") and applicable rules and regulations thereunder. All members of the Committee shall have a strong level of business or financial acumen (as determined in the reasonable discretion of the Board).

The Board will, on the recommendation of the Nominating and Governance Committee, appoint one of the members of the Committee to serve as Committee Chairman. The Committee Chairman will, as a subcommittee, have the authority to act on behalf of the Committee between meetings, including the authority to grant preapprovals of audit and permitted non-audit services. The Committee may also form and delegate such authority to other subcommittees consisting of one or more members when appropriate. The decision of the Committee Chairman or other such subcommittee to grant preapprovals shall be presented to the full Committee at its next scheduled meeting.

The Committee has the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Committee shall also have the authority, to the extent it deems necessary or appropriate, to ask the Corporation to provide the Committee with the support of one or more Corporation employees to assist it in carrying out its duties. The Committee may request any officer or employee of the Corporation or of the Corporation's outside counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Subject to the authority of the Committee Chairman or other subcommittees to act on behalf of the Committee between meetings, the Committee has the sole authority to approve all audit engagement fees and terms, as well as all permitted non-audit engagements with the independent auditors. The Committee shall pre-approve auditing services and permitted non-audit services to be performed for the Corporation by the independent auditors in accordance with Section 10A(i) of the Exchange Act.

The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation and to any advisors employed by the Committee and for payment of any administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee, in its capacity as a Board committee, is directly responsible for the appointment, compensation, evaluation, retention, and termination of the Corporation's independent auditors. The Committee is directly responsible for oversight of the work of the independent auditors (including resolution of disagreements between management and the auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. The independent auditors shall report directly to the Committee. The General Auditor shall also report directly to the Committee, which shall be responsible for preparing his or her performance evaluation and reviewing his or her compensation.

The Committee will meet as often as the Committee or the Committee Chair determines, but not less frequently than quarterly.

## **II. PURPOSES OF THE COMMITTEE**

The Committee's primary purposes are to:

- Provide assistance to the Board by: (1) monitoring the integrity of the consolidated financial statements of the Corporation, (2) monitoring compliance with the Corporation's Code of Business Conduct and Ethics, (3) evaluating and monitoring the independent auditors' qualifications and independence, and (4) evaluating and monitoring the performance of the Corporation's internal audit function and independent auditors, with respect to the parent company and its bank and non-bank subsidiaries; and
- Prepare the report required by the rules of the SEC to be included in the Corporation's annual proxy statement.

The Committee will also, under applicable regulation, perform the duties required by law to be performed by an audit committee for any subsidiary bank of the Corporation that does not have its own audit committee and by a fiduciary audit committee for any subsidiary bank of the

Corporation exercising fiduciary powers that does not have its own audit committee, in each case to the extent permitted, and in the manner required, by applicable laws and regulations.

### **III. RESPONSIBILITIES OF THE COMMITTEE**

*The following will be the common recurring activities of the Committee in carrying out its oversight function. These activities are set forth as a guide with the understanding that the Committee may diverge from this guide as it considers appropriate in the circumstances.*

#### Charter Review

- Review and reassess the adequacy of this charter annually and recommend to the Board any proposed changes to this charter

#### Financial Reporting / Internal Controls

- Review and discuss with the internal auditors and the independent auditors their respective annual audit plans, reports and the results of their respective audits
- Review and discuss the Corporation's quarterly financial statements with management and the independent auditors prior to the filing of its Forms 10-Q; such review and discussion will include disclosures made in management's discussion and analysis and the results of the independent auditors' reviews of the quarterly financial statements
- Review and discuss with management and the independent auditors the annual audited financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the Corporation's Form 10-K
- Discuss with management and the independent auditors any significant financial reporting issues arising and any significant judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the Corporation's selection or application of accounting principles
- Prior to each filing of an audit report with the SEC, review and discuss with the independent auditors:
  - All critical accounting policies and practices to be used;

- All alternative treatments within generally accepted accounting principles (“GAAP”) for policies and practices related to material items that have been discussed with management, including ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors; and
- Summaries of other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences or uncorrected misstatements.
- Discuss with management the Corporation’s earnings press releases, including the use of “*pro forma*” or “adjusted” non-GAAP information; discuss generally with management, on a periodic basis, the types of financial information to be disclosed and the types of presentations to be made to analysts and rating agencies, including the circumstances, if any, under which earnings guidance will be provided to analysts or rating agencies
- Discuss with management and the independent auditors the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation’s financial statements
- Discuss with the independent auditors the matters required to be discussed by Statement of Auditing Standards No. 61 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management
- Request and receive a signed Statement on Auditing Standards (“SAS”) No. 71 review report from the independent auditors prior to the filing of each Form 10-Q and receive a SAS 71 review report with respect to the fourth quarter and a signed opinion on the financial statements, an opinion on management’s assessment of the effectiveness of the Corporation’s internal control over financial reporting and an opinion on the effectiveness of the Corporation’s internal control over financial reporting as of the end of the Corporation’s most recent fiscal year, prior to the filing of each Form 10-K
- Discuss with the Corporation’s independent auditors, internal auditors and management their assessments of the adequacy of the Corporation’s internal controls, any significant deficiencies relating to financial reporting, the design or operation of the Corporation’s internal and disclosure controls or other related matters, and any proposals or special steps taken in order to rectify such deficiencies
- Review and discuss with management, including the General Auditor, and the independent auditors: management’s assessment that the Corporation maintained effective internal control over financial reporting as of the end of the Corporation’s

- most recent fiscal year; the independent auditors' opinion on management's assessment of the effectiveness of the Corporation's internal control over financial reporting; and the independent auditors' opinion on the effectiveness of the Corporation's internal control over financial reporting, as of the end of the Corporation's most recent fiscal year, prior to the filing of each Form 10-K
- Monitor the Corporation's progress in promptly addressing and correcting any significant deficiencies in financial reporting, internal controls or related matters
  - Receive periodic reports from the independent auditors and appropriate officers of the Corporation on significant accounting or reporting developments proposed by the Financial Accounting Standards Board, the Public Company Accounting Oversight Board, or the SEC that may impact the Corporation
  - Receive periodic reports from the independent auditors and appropriate officers of the Corporation on significant financial reporting and internal controls matters for non-bank subsidiaries
  - Meet with regulators when a meeting is requested by the regulators or the Committee to discuss examination results and promote open communication
  - Review disclosures made to the Committee by the Corporation's CEO and CFO during the certification process for the Form 10-K and Form 10-Q about any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Corporation's ability to record, process, summarize and report financial information or any fraud (whether or not material) involving management or other employees who have a significant role in the Corporation's internal control over financial reporting
  - Discuss with the Corporation's CEO and CFO the certifications they are providing and understand the procedures they undertook

#### Independent Auditors

- Select the independent auditors pursuant to a well-organized process
- Approve all audit engagement fees and terms, as well as all permitted non-audit engagements with the independent auditors
- Establish guidelines for the preapproval of auditing services and permitted non-audit services to be performed for the Corporation by the independent auditors
- Oversee the work of the independent auditors (including resolution of disagreements between management and the auditors regarding financial reporting) in preparing or

issuing an audit report or performing other audit, review or attest services for the Corporation

- Evaluate and monitor the independence, qualifications and performance of the independent auditors by, among other things:
  - Obtaining and reviewing a report from the independent auditors at least annually regarding (a) the auditors' internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues, and (d) to assess the auditors' independence, all relationships between the independent auditors and the Corporation
  - Reviewing the performance of the independent auditors, including an evaluation of the lead partner of the independent auditors' team, and taking into account the opinions of management and the internal auditors
  - If so determined by the Committee, taking additional action to satisfy itself of the qualifications, performance and independence of the auditors
- Oversee the regular rotation of the audit partner(s) as required by law and consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the auditing firm itself on a regular basis
- Establish policies for the Corporation's hiring of employees or former employees of the independent auditors who participated in any capacity in the audit of the Corporation, including in particular the prohibition on employment under Section 10A(l) of the Exchange Act as chief executive officer, controller, chief financial officer, chief accounting officer, or any person serving in an equivalent position (including a director of finance) for the Corporation, during the one-year period preceding the date of the initiation of the audit
- Discuss with the national office of the independent auditors material issues on which it was consulted by the Corporation's audit team and any material matters of audit quality and consistency
- Ensure that the independent auditors have access to all necessary Corporation resources

### Internal Audit Function

- Review the appointment and replacement of the General Auditor, who shall have supervisory responsibility for the internal audit function, and review the performance and compensation of the General Auditor
- Review the annual internal audit plan and receive periodic updates on the status of the approved plan and any recommended changes
- Discuss with the General Auditor the significant reports to management prepared by the internal auditing department and management's responses
- Discuss with the General Auditor and the independent auditors the internal audit department responsibilities, budget and staffing
- Review the Internal Audit charter annually
- Ensure that the internal auditors have access to all necessary Corporation resources

### Ethical, Reporting, and Other Oversight

- Discuss with the General Auditor and the Corporate Ombudsman the Corporation's processes regarding compliance with the Corporation's Code of Business Conduct and Ethics and obtain reports from the General Auditor and the Corporate Ombudsman regarding compliance by the Corporation and its subsidiary/foreign affiliated entities with the Corporation's Code of Business Conduct and Ethics
- Discuss with the Corporate Ombudsman in private session the effectiveness of the Corporation's ethics program
- Discuss with the Corporation's Chief Regulatory and Compliance Officer the status and results of regulatory agency examinations, any significant issues arising out of such examinations, related management or Board of Directors responses, and such regulatory or compliance matters that may have a material impact on the financial statements
- Receive from the independent auditors any assurances or reports required to be furnished to the Committee under Section 10A(b) of the Exchange Act
- Establish and provide appropriate oversight of procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters

- Discuss with management and the independent auditors any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Corporation's financial statements or accounting policies or compliance with the Corporation's Code of Business Conduct and Ethics
- Discuss with the Corporation's General Counsel legal matters that may have a material impact on the financial statements
- Discuss generally with the Corporation's Chief Risk Officer the Corporation's enterprise-wide risk structure and related processes, guidelines, and policies

#### Subsidiaries of the Corporation

- Where the Committee is performing the duties required by law to be performed by an audit committee for a subsidiary bank of the Corporation that does not have its own audit committee, review with management and the independent auditors the basis for the reports required to be filed by management and by the independent auditors with the Federal Deposit Insurance Corporation or the Office of the Comptroller of the Currency pursuant to 12 C.F.R. Sections 363.2(a) and (b) and Sections 363.3(a) and (b), respectively, and 12 C.F.R. Section 363.4.
- Perform the duties required to be performed by the fiduciary audit committee for any bank subsidiary of the Corporation exercising fiduciary powers that does not have its own audit committee, in each case to the extent permitted, and in the manner required, by applicable laws and regulations

#### General

- Meet separately, periodically, with management, with the internal auditors, and with the independent auditors
- Report to the Board on the Committee's activities, as appropriate
- Maintain minutes or other records of the Committee's meetings and activities
- Review and assess the quality and clarity of the information provided to the Committee and make recommendations to management as the Committee deems appropriate from time to time for improving such materials
- Prepare the audit committee report to be included in the Corporation's proxy statement when and as required by the rules of the SEC
- Conduct an annual performance evaluation of the Committee

The Committee's job is one of oversight as set forth in this charter. It is not the duty of the Committee to prepare the Corporation's financial statements, to plan or conduct audits, or to determine that the Corporation's financial statements are complete and accurate and are in accordance with GAAP. The Corporation's management is responsible for preparing the Corporation's financial statements and for maintaining internal controls, and the independent auditors are responsible for auditing the financial statements. Nor is it the duty of the Committee to conduct investigations or to assure compliance with laws and regulations or the Corporation's Code of Business Conduct and Ethics.

With respect to joint sessions of the Committee:

- (a) The Committee may meet simultaneously as a committee of the Corporation and of PNC Bank, National Association (the "Bank"), though it should hold separate sessions if necessary to address issues that are relevant to one entity but not the other or to consider transactions between the two entities or other matters where the Corporation and the Bank may have different interests; and
- (b) The Committee should consult with internal or outside counsel if, in the opinion of the Committee, any matter under consideration by the Committee has the potential for any conflict between the interests of the Corporation and those of the Bank or the Corporation's other subsidiaries in order to confirm that appropriate procedures are established for addressing any such potential conflict and for promoting compliance with the Corporation's policies regarding Sections 23A and 23B of the Federal Reserve Act.

In performing their duties and responsibilities, Committee members are entitled to rely in good faith on information, opinions, reports or statements prepared or presented by:

- One or more officers or employees of the Corporation whom the Committee member reasonably believes to be reliable and competent in the matters presented;
- Counsel, independent auditors, or other persons as to matters which the Committee member reasonably believes to be within the professional or expert competence of such person; or
- Another committee of the Board as to matters within its designated authority which committee the Committee member reasonably believes to merit confidence.