

## **REGIONS FINANCIAL CORPORATION AUDIT COMMITTEE CHARTER**

### **Purpose**

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Regions Financial Corporation (the “Company”) to assist the Board in fulfilling its oversight responsibilities relating to: (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 Company’s compliance with legal and regulatory requirements, (c) the independent auditor’s qualifications and independence, and (d) the performance of the Company’s internal audit function and independent auditor. The Committee also shall be responsible for preparing an audit committee report required by the rules of the Securities and Exchange Commission to be included in the Company’s annual proxy statement.

### **Membership**

1. The Committee shall consist of a minimum of three (3) members of the Board and shall satisfy the independence, experience and expertise requirements of the New York Stock Exchange (NYSE), the Securities and Exchange Commission (SEC), and other applicable laws, rules and regulations, as determined by the Board in its business judgment. In particular, each of the members of the Committee shall be “financially literate” in accordance with NYSE listing standards, and at least one member of the Committee will be an “audit committee financial expert” in accordance with applicable SEC regulations. A member who is determined to be an “audit committee financial expert” will be presumed to have “accounting or related financial management expertise” in compliance with NYSE listing standards.
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 Chairperson for the Committee. In the absence of the Chairperson at any meeting of the Committee, the members of the Committee may designate a Chairperson by majority vote.
4. No director may serve as a member of the Committee if such director serves on the audit committee of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Committee.

### **Allocation of Responsibilities**

While 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 also is 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 department 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 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 attesting to management's assertion of the effectiveness of internal control over financial reporting.

In fulfilling their duties and responsibilities set forth herein, it is recognized that members of the Committee are not full-time employees of the Company and even though one or more may be designated as an "audit committee financial expert" as defined in rules of the SEC, 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, to conduct "field work" or other types of auditing or accounting reviews or procedures, to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles, or to set auditor independence standards.

### **Authority, Duties, and Responsibilities**

In furtherance of its purposes set forth above, the Committee will have the following authority, duties, and responsibilities:

#### Oversight of the Company's Relationship with the Independent Auditor

1. To be directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting), and where appropriate, to terminate and replace the independent auditor (subject to stockholder ratification of the appointment if such ratification is required or sought by the Board). The independent auditor shall report directly to the Committee.
2. To review and evaluate on at least an annual basis the qualifications and experience of the independent auditor and lead audit partner, including receiving information regarding the independent auditor's internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, or any inquiry or investigation by governmental or professional authorities, within the preceding five years, relating to any independent audits carried out by the independent auditor, and any steps taken to deal with any such issues.
3. To discuss with management, internal audit, the independent auditor, and the Board, as the Committee deems appropriate, the above information and reports, and any relationships or services disclosed in the independent auditor's statement as to independence that may impact the objectivity and independence of the independent auditor for purposes of assessing the independent auditor's and lead partner's independence, qualifications, and performance. The Committee shall present its conclusions with respect to the independent auditor to the Board.
4. To pre-approve all audit and permitted non-audit services provided by the independent auditor (including the fees and terms thereof) in accordance with policies and procedures established by the Committee and applicable legal and regulatory requirements. The Committee may delegate pre-approval authority to one or more designated members of the Committee, who shall report a decision to approve services to the Committee at its next scheduled meeting.

5. To require the independent auditor to submit information and reports regarding (a) audit and non-audit services provided by the independent auditor, including a formal written statement provided by the independent auditor delineating all relationships between the independent auditor and the Company and addressing at least the matters set forth in Independence Standards Board Standard No. 1.; and (b) the aggregate fees billed by the independent auditor, as provided to the Committee in a written statement by the independent auditor for (i) the audit of the Company's annual financial statements for the most recent fiscal year and the reviews of the financial statements included in the Company's quarterly reports on Form 10-Q for that fiscal year, and (ii) all other services rendered by the independent auditor for the most recent fiscal year.
6. If applicable, to consider whether the independent auditor's provision of permitted non-audit services to the Company is compatible with maintaining the independence of the independent auditor and is consistent with the Committee's policies relating to the provision of non-audit services by the independent auditor.
7. To review the timing and process for implementing the rotation of certain partners of the independent auditor, including the lead and concurring partner, in accordance with applicable legal and regulatory requirements, and to consider whether there should be a regular rotation of the auditor itself.
8. To establish clear hiring policies for employees or former employees of the independent auditor.

#### Financial Statement, Disclosure, and Risk Management Matters

9. To review the arrangements and scope of the independent auditor's audit prior to commencement of their annual examination of the Company's financial statements.
10. To discuss with management and the independent auditor the Company's annual audited financial statements and quarterly financial statements prior to filing or distribution, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
11. To discuss generally with management earnings press releases of unaudited interim and annual financial results (including the use of "pro-forma" financial information), as well as financial information and earnings guidance provided to analysts and rating agencies.
12. To receive and review information relating to management's review of the Company's disclosure controls and procedures (as defined by the SEC) and internal controls and procedures with respect to financial reporting (including computer information system controls), as well as the independent auditor's and/or internal audit department's assessment of the Company's compliance with various policies and procedures to ensure adequate internal controls have been instituted by management, including any (a) comments on significant deficiencies or material weaknesses in the design or operation of internal accounting controls and considerations given or corrective action taken by management (b) any issues regarding fraud that involves management or other employees who have a significant role in the Company's internal controls, and (c) any other issues regarding management's certifications in the Company's periodic reports.

13. To review and discuss with management and the independent auditor on an annual basis (a) management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting, and (b) the independent auditor's attestation to, and report on, management's control assessment.
14. To discuss with the independent auditor the matters required by SAS 61, including any difficulties encountered during the course of the independent auditor's audit, any restrictions on the scope of the independent auditor's activities or on the access to any requested or necessary information, and any significant disagreements with management.
15. To review and discuss reports from the independent auditor regarding the Company's critical accounting policies, the basis of any significant changes in the Company's accounting principles, policies, controls and procedures, and the methods of their application, and the quality and appropriateness of the Company's accounting principles.
16. To review and discuss with management and the independent auditor, as appropriate, major issues regarding accounting principles and financial statement presentations (as well as any analyses prepared by management and/or the independent auditor) including (a) significant financial reporting issues and judgments made in connection with the preparation of the financial statements, as well as the effect of alternative treatments of financial information within generally accepted accounting principles, (b) the effect of regulatory and accounting initiatives, including off-balance sheet structures, on the Company's financial statements, (c) material written communications between the independent auditor and management, such as any "management letter" or schedule of unadjusted differences, and (d) any communications between the independent auditor and its national office regarding difficult auditing or accounting issues presented by the engagement.
17. Taking into consideration the Board's allocation of oversight responsibilities for risk to the Risk Management Committee, to discuss in general the guidelines and policies by which risk assessment and risk management is undertaken and to coordinate with the Risk Management Committee on this subject as it deems appropriate to fulfill its responsibilities.
18. To establish 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.

#### Oversight of the Company's Internal Audit Function

19. To review and approve the appointment, replacement, reassignment or dismissal of the director of internal audit.
20. To review the overall internal audit function, including the independence and responsibilities of internal audit and the adequacy of internal audit's staffing and budget.
21. To review the general scope of planned internal auditing activities prior to their commencement.

22. To review the results of internal audits, as appropriate, and the performance of internal audit, including any (a) action taken by management on recommendations made by internal audit, (b) reports of defalcations made to regulatory authorities, (c) any difficulties encountered during the course of any internal audits, including any restrictions on the scope of activities or on access to any requested or necessary information, or disagreements between internal audit and management.

#### Compliance with Legal and Regulatory Requirements

23. To review and discuss with management its policies and procedures relating to monitoring the Company's compliance with applicable legal and regulatory requirements and the Company's policies, including the Company's Code of Business Conduct and Ethics.
24. To review reports of inspections, examinations and investigations by state and federal regulatory agencies or authorities, as appropriate, and any consideration given or corrective action taken by management on any criticism in any such reports, examinations and investigations.
25. To review significant pending or threatened litigation against the Company that may have a material impact on the Company's financial statements.

#### Other Committee Responsibilities

26. To provide for a review of accounts held in a fiduciary capacity by the Company's state-chartered bank subsidiaries to the extent required by applicable law and regulation.
27. To prepare a report to shareholders to be contained in the Company's annual proxy statement as required by the SEC.
28. To review and reassess the adequacy of this Charter on an annual basis, recommend any proposed changes to the Board for approval, and cause the Charter to be published in the Company's proxy statement at least every three years in accordance with SEC regulations.
29. To perform an annual performance evaluation of the Committee and report the results to the Board.
30. To maintain minutes of meetings and make regular periodic reports to the Board summarizing the matters reviewed and actions taken at each Committee meeting.
31. To perform any other activities consistent with this Charter, the Company's Certificate of Incorporation and Bylaws, and governing law as the Committee or the Board deems appropriate.

To these ends, the Committee shall have and may exercise all the powers and authority of the Board of Directors to the extent permitted under Section 141(c)(2) of the Delaware General Corporation Law.

For purposes of this Charter, the term "review" when used with respect to a responsibility of the Committee shall mean such consideration and evaluation as the Committee in its business judgment shall determine to be appropriate and shall not mean a "review" as contemplated in Statement on Auditing Standards No. 100.

## **Committee Meetings, Structure and Operations**

1. The Committee shall meet as often as the Committee deems necessary but not less frequently than quarterly. The Committee shall meet on a periodic basis with the director of internal audit, the independent auditor, and management in separate private sessions to discuss matters that the Committee or these groups believes should be discussed.
2. To the extent permitted under applicable law and regulation, the Committee may form and delegate to one or more 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.
3. The Committee shall have direct access to, and complete and open communication with, management and may obtain advice and assistance from internal legal, accounting or other advisors to assist it. 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 costs or expenses so incurred and shall adequately fund the activities of the Committee, including compensation of the independent auditor and payment of the ordinary administrative expenses of the Committee.