

## LEG-ACBD-CH-01 - Audit Committee of the Board of Directors Charter

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1. Purpose.....	2
2. Membership .....	2
3. Committee Responsibilities .....	2
4. Authority.....	7
5. Meeting Administration .....	8
5.1 Schedule.....	8
5.2 Pre-Meeting Distribution.....	8
5.3 Meeting Presentations.....	8
5.4 Voting Quorum.....	8
5.5 Interactions .....	8

## 1. Purpose

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of SunTrust Banks, Inc. (the “Company”) to assist the Board in fulfilling its oversight responsibilities for the Company’s accounting and financial reporting processes and audits of the financial statements of the Company, by monitoring (1) the integrity of the Company’s financial statements, (2) the independence and qualifications of its external auditor, (3) the Company’s system of internal controls, (4) the performance of the Company’s internal audit process and external auditor, and (5) the Company’s compliance with laws, regulations, and its codes of conduct. The Committee shall prepare the audit committee report required by the rules of the Securities and Exchange Commission (the “Commission”) to be included in the Company’s annual meeting proxy statement.

The purpose of this charter is to define the membership, roles and responsibilities, authority and meeting administration of the Audit Committee.

## 2. Membership

The Committee will consist of at least four members of the Board. The Board will appoint Committee members and the Committee chair on the recommendation of the Company’s Governance and Nominating Committee. Committee members may be replaced by the Board.

Each Committee member shall meet the independence and financial literacy requirements of the New York Stock Exchange Listed Company Manual Rules 303A.02 and 303A.07, Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended, Rule 10A-3 thereunder, and the other rules and regulations of the Commission. At least one member of the Committee shall satisfy the definition of, and be designated as, an “audit committee financial expert”, as defined by the Commission; provided; however, that if no member of the Committee satisfies such definition, the Committee shall direct the Company to include appropriate disclosures in Commission filings as required by the Commission rules and regulations then in effect. The Committee also shall direct the Company to include appropriate disclosures in Commission filings with regard to service by Committee members on the audit committees of other public companies as required by Commission rules and regulations then in effect. No director shall serve as a member of the Committee if such member 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.

Committee members shall be barred from accepting any consulting, advisory, or other compensatory fee from the Company or any subsidiary thereof, other than in the member’s capacity as a member of the Board and any Board committee. No Committee member shall be an “affiliated person” of the Company, as such term is defined in Rule 10A-3(e)(1)(i) under the Securities Exchange Act of 1934, or any subsidiary apart from his or her capacity as a member of the Board and any Board committee.

## 3. Committee Responsibilities

The Committee has authority to conduct or authorize examinations into any matters within its scope of responsibility. It has sole authority and responsibility to (1) appoint, compensate, retain, and directly oversee the work of the Company’s external auditor (subject to shareholder ratification, if applicable), (2) resolve any disagreements between management and the external

auditor regarding financial reporting, and (3) pre-approve all audit services and permitted non-audit services provided to the Company by its external auditor. The Chairman of the Committee may grant pre-approvals of audit services and permitted non-audit services, provided that decisions to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting.

The Committee also has authority to:

- Retain outside advisors, including counsel, as it determines necessary or advisable to carry out its duties.
- Seek any information it requires from employees—all of whom are directed to cooperate with the Committee's requests—or external parties.
- Meet with Company officers, external auditors, or outside counsel, as necessary.
- Establish detailed pre-approval policies for permitted non-audit services.

The Company shall provide appropriate funding, as determined by the Committee, for (i) payment of compensation to any registered public accounting firm engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attestation services for the Company and to any advisors employed by the Committee; and (ii) ordinary administrative expenses of the Committee.

The Committee, to the extent it deems necessary or appropriate, will carry out the following specific responsibilities:

### **Financial Statements**

- Review and discuss with management and the external auditor significant accounting and financial reporting issues, including complex or unusual transactions and judgments concerning significant estimates or significant changes in the Company's selection or application of accounting principles, and recent professional, accounting, and regulatory pronouncements and initiatives, and understand their impact on the Company's financial statements.
- Meet to review with management and the external auditor the results of the audit, including any difficulties encountered in the course of the audit work and management's response, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
- Meet to review and discuss with management and the external auditor the annual financial statements, along with any off-balance sheet structures, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and recommend to the Board whether they should be included in the Company's Annual Report on Form 10-K ("Form 10-K").
- Meet to review and discuss with management and the external auditor interim financial statements, including the results of the external auditor's review of the quarterly financial statements and disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations," before filing the Company's Quarterly Report on Form 10-Q ("Form 10-Q") with the Commission.

- Meet to review and discuss with management the process for performing required quarterly certifications under Section 302 of the Sarbanes-Oxley Act.
- Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about 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.
- At least annually prior to the filing of the audit report with the Commission (and more frequently if appropriate), review and discuss reports from the external auditor on (1) all critical accounting policies and practices to be used, (2) all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, including ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditor, and (3) other material written communications between the external auditor and management, such as any management letter or schedule of unadjusted differences.
- Review with management and the external auditor all matters required to be communicated to the Committee under the standards of the Public Company Accounting Oversight Board (PCAOB) and generally accepted auditing standards, including matters required to be discussed by PCAOB Auditing Standard AS 1301. Inquire of the CEO and CFO regarding the "quality of earnings" of the Company from a subjective as well as an objective standpoint.
- Discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information, and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally (consisting of a discussion of the types of information to be disclosed and the types of presentations to be made).
- Understand how management prepares interim financial information, and the nature and extent of the involvement of internal audit and the external auditor.

## **Internal Controls**

- Consider the effectiveness of the Company's internal control systems, including information technology security, overall anti-fraud programs, and associated controls. Review major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies.
- Meet with management to review the Company's major financial reporting risk exposures and the steps management has taken to monitor and control such exposures.
- Understand the scope of the internal and external auditors' reviews of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

## **Internal Audit**

- Review and approve with management, the external auditor, and the General Auditor the internal audit charter, budget, plans, activities, staffing, and organizational structure of the internal audit function, and any recommended changes thereto, as well as staff qualifications. Determine through discussion that internal audit activities are consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the *International Standards for the Professional Practice of Internal Auditing*, and the Definition of Internal Auditing) promulgated by the Institute of Internal Auditors.
- Review and approve the Internal Audit Department's annual audit plan and all major changes to the plan.
- Review ineffective-rated audit reports prepared by internal audit and management's responses as well as other significant reports to management.
- Ensure there are no unjustified restrictions or limitations on internal audit's scope of activities or access to information.
- Review and concur in the appointment, replacement, or dismissal of the General Auditor.
- Review the performance of the General Auditor at least once annually.
- Approving the remuneration of the General Auditor.
- Ensure the General Auditor confirms the organizational independence of the internal audit activity, at least annually.
- Have the General Auditor report, functionally, to the Committee.
- On a regular basis, meet separately with the General Auditor to discuss any matters that the Committee or internal audit believes should be discussed privately.

## **External Audit**

- Have the external auditor report directly to the Committee.
- Meet with the external auditor to discuss the external auditor's proposed audit planning, scope, staffing, and approach, including coordination of its effort with internal audit. Discuss the coordination of audit efforts to assure completeness of coverage, avoidance of redundant efforts, and effective use of audit resources.
- At least annually, obtain and review a report from the external auditor regarding the firm's quality control procedures, 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 of the independent audits carried out by the firm, and any steps taken to deal with any such issues, and all relationships between the external auditor and the Company.
- At least annually, evaluate and present to the Board its conclusions regarding the qualifications, performance, and independence of the external auditor, and exercise final approval on the appointment or discharge of the external auditor. Include an evaluation of the lead partner of the external auditor, considering whether the auditor's quality controls are adequate and permitted non-audit services are

compatible with maintaining the auditor's independence, and taking into account the opinions of management and internal audit.

- Ensure the rotation of the audit partners as required by law and consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the external audit firm on a regular basis.
- Establish policies concerning the Company's hiring of employees or former employees of the external auditor, as required by law and by applicable listing standards.
- On a regular basis, meet separately with the external auditor to discuss any matters that the Committee or external auditor believes should be discussed privately.
- Review with the external auditor any audit problems or difficulties and management's response.

## **Compliance**

- Review the effectiveness of the system for monitoring compliance with laws and regulations regarding financial reporting. The results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance should also be reviewed.
- Advise the Board with respect to the Company's code of conduct, including review of the process for communicating the code of conduct to Company personnel and for monitoring compliance.
- 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 concerns regarding questionable accounting or auditing matters. Review any complaints or submissions that have been received, the current status, and the resolution if one has been reached.
- Review and discuss with management and the external auditor any correspondence with, or the findings of any examinations by, regulatory agencies, published reports, or auditor observations that raise significant issues regarding the Company's financial statements or accounting policies.
- Review management reports issued by the Company in accordance with Federal Deposit Insurance Corporation Improvement Act of 1991 and the corresponding external auditor's attestation and agreed-upon procedures reports.
- Obtain regular updates from management and Company counsel regarding compliance matters and legal matters that may have a significant impact on the financial statements.
- Taking into consideration the Board's assignment of responsibility for review of the Company's compliance risk management framework to the Board's Risk Committee, obtain regular updates from management and Company counsel regarding compliance matters and legal matters that may have a significant impact on the Company's compliance policies and advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations.

- Obtain from the external auditor assurance that Section 10A(b) of the Exchange Act has not been implicated.

## **Reporting Responsibilities**

- Prepare the audit committee report required by the rules of the Commission to be included in the Company's annual proxy statement.
- Regularly report to the Board about Committee activities, issues, and related recommendations, including 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 external auditors, or the performance of the internal audit function.
- Provide an open avenue of communication among internal audit, the external auditor, and the Board.
- Review any other reports the Company issues that relate to Committee responsibilities.

## **Other Responsibilities**

- Taking into consideration the Board's assignment of responsibility for review of the Company's enterprise risk management framework, including the significant policies, procedures, and practices employed to manage credit risk, market risk, and operational risk to the Board's Risk Committee, discuss with management guidelines and policies for assessing and managing the Company's exposure to risks, including reputation risk, the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- Coordinate with the Risk Committee the exchange of information and reports regarding the activities of both committees, as necessary and appropriate.
- Perform other activities related to this charter as requested by the Board.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the Committee charter, annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- On a regular basis, meet separately with management to discuss any matters that the Committee or management believes should be discussed privately.
- Annually review the Committee's own performance.

## **4. Authority**

The Committee operates under the authority of the Board of Directors.

## **5. Meeting Administration**

### ***5.1 Schedule***

The Committee will meet as often as it determines is appropriate, but not less frequently than quarterly. All Committee members are expected to attend each meeting, in person or via teleconference or videoconference. The Committee periodically will hold private meetings with management, internal audit, and the external auditor.

### ***5.2 Pre-Meeting Distribution***

Meeting agendas will be prepared by the General Auditor and provided in advance to Committee members, along with appropriate briefing materials. Minutes will be kept by a member of the Committee or a person designated by the Committee.

### ***5.3 Meeting Presentations***

The Committee may invite any officer or employee of the Company, the external auditor, the Company's outside counsel, the Committee's counsel, or others to attend meetings and provide pertinent information.

### ***5.4 Voting Quorum***

N/A

### ***5.5 Interactions***

N/A