

SOUTHERN COMPANY
Audit Committee Charter

Membership

The Southern Company (the “Company”) Audit Committee (the “Committee”) will be comprised of at least three independent members of the Southern Company Board of Directors (the “Board”), each of whom will be financially literate and at least one of whom shall be an “audit committee financial expert” as defined by the Securities and Exchange Commission (the “SEC”), in each case as determined by the Board. For purposes hereof, an “independent” director is a director who meets the New York Stock Exchange definition of “independence” for directors and audit committee members, as determined by the Board.

Each member of the Committee and its Chairman shall be appointed by the Board upon the recommendation of the Governance Committee, and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. Any vacancy on the Committee shall be filled by a majority vote of the Board. No member of the Committee shall be removed except by majority vote of the Board.

Function

To oversee preparation of the Committee’s report required to be included in the appropriate Company disclosure documents and assist the Board in fulfilling its oversight responsibilities for the following:

- The quality and integrity of the financial reporting process and the financial statements and reports of the Company.
- The system of internal control.
- The qualifications, independence and performance of the independent auditor.
- The quality and performance of the Company’s Internal Auditing function.
- The Company’s process for monitoring adherence with the Company’s Code of Ethics and compliance with legal and regulatory requirements.

- Assistance to Executive Management and the Chief Executive Officer in setting an appropriate “Tone at the Top” that encourages the highest levels of ethical behavior and integrity in all matters.
- The Company’s processes for monitoring enterprise risks.

Notwithstanding the foregoing, the fundamental responsibility for the Company’s financial statements and related disclosures rests with management.

Authority

The Committee is empowered to:

- Conduct or authorize investigations into any matters within its scope of oversight. Retain outside counsel, accountants or other advisors to advise the Committee or assist in the conduct of an investigation, including the authority to approve the fees payable to such advisors and any other terms of retention.
- Appoint, compensate, retain and oversee the work of the independent auditor, which will report directly to the Committee.
- Resolve any disagreements between management and the independent auditor.
- Pre-approve all auditing and permissible nonaudit services provided by the independent auditor. The Committee may delegate to its Chairman the authority to grant pre-approvals for the engagement of the independent auditor to provide any permissible service up to a limit of \$50,000 per engagement. Any engagements pre-approved by the Chairman shall be presented to the full Committee at its next scheduled regular meeting.
- Seek any information it requires from officers, employees or external parties—all of whom are directed to cooperate with the Committee’s requests.
- Meet with Company officers, independent auditor, internal auditors, inside counsel or outside counsel, as necessary.

The Company will provide appropriate funding, as determined by the Committee, for compensation of the independent auditor, for compensation of any advisors that the Committee chooses to engage and for payment of ordinary administrative expenses of the Committee that are necessary in carrying out its duties.

Meetings

The Committee shall meet a minimum of four times each year, or more often as deemed appropriate by the Chairman of the Committee or any two members of the Committee, to receive reports and to discuss the quarterly and annual financial statements, including disclosures and other related information. The Committee shall meet separately in executive session, periodically, with each of Company management, the Chief Audit Executive, the Lead Internal Audit Co-sourcing Partner, the Chief Compliance Officer, the General Counsel and the independent auditor to discuss matters that the Committee or any of these persons believe should be discussed privately. A quorum for the transaction of any business by the Committee shall be a majority of the members of the Committee. The act of a majority of the directors serving at any meeting of the Committee at which a quorum is present shall be the act of the Committee. Meetings of the Committee may utilize conference call, Internet or other similar electronic communication technology.

The Committee shall maintain minutes of its meetings and records relating to those meetings. The Committee shall also report activities and findings to the Board on a regular basis.

Subcommittees

The Committee may form and delegate its authority to subcommittees formed in accordance with the Company's By-Laws and applicable law. Any such subcommittee shall report any action to the full Committee at its next scheduled regular meeting.

Duties and Responsibilities

Review of Documents/Reports and Financial Reporting Matters

The responsibility of the Committee in the review of documents/reports and financial reporting matters consists of:

- Meeting to review and discuss with management and the independent auditor the quarterly and annual financial statements on a consolidated basis as well as on a separate company basis for each consolidated subsidiary that has publicly-traded securities, including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the independent auditor's reports related to the financial statements.
- Review and discussion with the independent auditor of the matters required to be communicated by the independent auditor under Auditing Standard No. 16, as adopted by the Public Company Accounting Oversight Board and amended from time to time,

including any audit problems or difficulties the independent auditor encountered in the course of its audit work and management's response.

- Review and discussion with management and the independent auditor of significant regulatory changes and accounting and reporting developments, as well as off-balance sheet structures (if any), that may materially affect the Company's financial statements.
- Recommendation to the Board, based on the review and discussion with management and the independent auditor described above, whether the most recent year's audited financial statements be included in the Company's annual report on Form 10-K.
- Review of and discussion with management regarding the quarterly and annual consolidated earnings announcements and corporate practices with respect to earnings announcements and earnings guidance and other financial information provided to analysts and rating agencies.
- Review of internal auditing reports to management (or summaries thereof), as well as management's response.
- Overseeing preparation of the Committee's report required to be included in the appropriate Company disclosure documents, pursuant to and in accordance with the applicable rules and regulations of the SEC.

Independent Audit Process

The responsibility of the Committee to provide oversight of the independent audit process includes direct responsibility for:

- Appointment, evaluation, retention and oversight of the work of the independent auditor, including work plans and audit results, and, where appropriate, replacement of the independent auditor.
- Compensation and other terms of engagement of the independent auditor.
- Review and confirmation of the independence of the independent auditor by obtaining, at least annually, a report from the independent auditor on relationships between the independent auditor, and the Company or individuals in financial reporting oversight roles at the Company, that may reasonably be thought to bear on the independent auditor's independence, and discussing the potential effects of any such relationships on independence with the independent auditor. Review nonaudit services provided by the independent auditor to confirm such services comply with and are disclosed to investors in

periodic reports required by the Securities Exchange Act of 1934 and the Sarbanes Oxley Act of 2002.

- Review of the experience and qualifications of the senior members of the independent audit team annually and provision of oversight regarding appropriate audit partner rotation.
- Review of the independent auditor's annual report to the Committee 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 of the independent auditor) 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 independent auditor, and any steps taken to deal with any such issues.
- Review of the independent auditor's report on the Company's internal control over financial reporting.
- Oversight of the coordination of the independent auditor's activities with the Internal Auditing and Accounting functions.
- Set clear employment policies for the Company's hiring of employees or former employees of the independent auditor.

Internal Control

The responsibility of the Committee in the area of internal control, in addition to the actions described above under the headings "Review of Documents/Reports and Financial Reporting Matters" and "Independent Audit Process", is to:

- Provide oversight of the Internal Auditing function. The Committee shall:
 - Review and approve the internal auditing charter.
 - Review and approve the annual internal audit plan.
 - Review any significant changes in planned activities, budgets and staffing levels.
 - Review internal audit results.
 - Consult with management in advance of management's appointment and/or removal of the Company's Chief Audit Executive.

- Review the performance of the Chief Audit Executive with management.
- Evaluate the performance and independence of the Internal Auditing function.
- Review the quality assurance practices and results of the Internal Auditing function.
- Review significant difficulties, disagreements with management or scope restrictions encountered in the course of the Internal Auditing function's work with the Chief Audit Executive.
- Review and discuss with management the adequacy and effectiveness of the Company's internal controls, including any significant deficiencies or material weaknesses in internal control (whether identified by management or the independent auditor) and any fraud involving management or other employees who have a significant role in the Company's internal controls. Assess management's response to any such deficiencies.
- Provide oversight of the Company's Legal and Regulatory Compliance and Ethics Programs, including:
 - Creation and oversight of procedures for:
 - Receipt, retention and treatment of complaints received by management regarding accounting, internal accounting controls, auditing and federal securities law matters.
 - Confidential, anonymous submission by employees of concerns regarding questionable accounting, auditing and federal securities law matters.
 - At least annually, review with the Chief Compliance Officer management's assessment of the implementation and effectiveness of the Company's compliance program, including a review of the results of any auditing or other monitoring programs designed to prevent or detect violations of laws or regulations and any reported cases of employee fraud, conflict of interest or unethical or illegal conduct. The Chief Compliance Officer will have the authority to communicate directly to the Committee, promptly, about actual and alleged violations of law or the Company's Code of Ethics, including any matters involving criminal or potential criminal conduct.

- Periodically discuss with management the Company's policies relating to compliance with laws and regulations, ethics, conflicts of interest and the investigation of misconduct or fraud.
- Review with the Company's General Counsel significant legal matters that may have a material impact on the financial statements and any material reports, notices or inquiries received from regulators or governmental agencies.

Risk Management

- Periodically review and discuss guidelines, policies and practices governing the processes by which risk assessment and risk management are undertaken.

Other

- Conduct, at least annually, an evaluation of the Committee's performance and the adequacy of its charter, and recommend changes to the Governance Committee as appropriate. Review and discuss leading practices related to general audit committee performance.

December 8, 2014