



## **AUDIT COMMITTEE CHARTER**

### **Purpose and Authority**

The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Western Alliance Bancorporation serves as the audit committee of Western Alliance Bancorporation and its subsidiaries and affiliates (collectively, the “**Company**”). The primary purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities by serving as an independent and objective third party monitoring (1) the qualifications, independence and performance of the registered public accounting firm employed by the Company (the “**independent auditor**”), (2) the performance of the Company’s internal audit function, (3) the integrity of the Company’s financial statements, its related accounting and financial reporting processes and internal controls over financial reporting, and (4) the Company’s compliance with regulatory, legal and ethical requirements. Consistent with the Committee’s primary purpose, the Committee should encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures, and practices at all levels. The Committee should provide structured, systematic oversight of the Company’s governance, risk management, and internal control processes supporting the maintenance of an effective system of internal control. The Committee should support an open avenue of communication among the independent auditor, management, internal audit, and the Board.

### **Composition**

The Committee shall consist of at least three members who collectively satisfy the following requirements as determined by the Board in its business judgment: (1) they are each independent<sup>1</sup>; (2) they are each financially literate (or must become financially literate within a reasonable period of time); (3) at least one member with accounting or related financial management experience; (4) at least two members with banking or related financial management experience; and (5) at least one member who qualifies as an audit committee financial expert<sup>2</sup>. At least one member of the Committee shall also serve as a member of the Company’s Risk Committee. In addition, the Company, the Board, and the Committee shall comply with all applicable laws, rules, regulations, and guidelines, including without limitation those contained in 12 U.S.C. § 1831m and 12 C.F.R. Part 363 of the rules and regulations of the Federal Deposit Insurance Corporation, that establish criteria for an independent audit committee. Any responsibilities of the Committee may be delegated by the Committee to the Chairman or any other member; provided that any delegate shall report any actions taken by him or her to the whole Committee at its next regularly scheduled meeting.

### **Compensation of Members**

Compensation for service on the Committee shall be limited to fees and compensation permitted under the Securities Exchange Act of 1934, as amended, the rules and regulations of the SEC promulgated thereunder, and the rules and regulations of the NYSE.

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<sup>1</sup> To be considered independent, the director must satisfy, as determined by the Board, the requirements of all applicable laws and regulations relative to the independence of directors and Committee members, including without limitation the requirements of the Securities and Exchange Commission (the “SEC”) and the New York Stock Exchange (the “NYSE”).

<sup>2</sup> As that term is defined by SEC rules.

## **Meetings**

All committee members are expected to attend each meeting, in person or via tele- or video-conference. The Committee shall meet at least quarterly, or more frequently as circumstances dictate. Additionally, the chief audit executive is required to attend all audit committee meetings. The chief audit executive will facilitate and coordinate meetings as well as provide ancillary support to the Committee, as time and resources permit. The Chairman shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making subcommittee assignments and reporting for the Committee to the Board. The Committee shall have direct access, both at meetings and otherwise, to management, internal audit staff, independent auditor, any officer, compliance staff, and legal counsel of the Company. The Committee also will have direct access to records, data, and reports. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared. The quorum for the Committee will be a majority of the members. In lieu of a meeting, the Committee may act by unanimous written consent.

## **Responsibilities and Duties**

In furtherance of its responsibilities, the Committee believes its policies and procedures should remain flexible to best react to changing conditions and to ensure to the Board and the stockholders that the corporate accounting and reporting practices of the Company are in accordance with all applicable legal and regulatory requirements.

In carrying out these responsibilities and duties, the Committee shall:

1. Review this Charter periodically (at least annually) and update this Charter to the extent the Committee determines it to be necessary or advisable. The Committee shall annually review the Committee's own performance and recommend any proposed changes to the Board. The Committee shall annually confirm that all responsibilities outlined in this Charter have been carried out.
2. Review and discuss, as appropriate, with other Committees of the Company's Board of Directors, management, the independent auditors, and the internal audit function:
  - (a) the Company's annual audited financial statements and quarterly financial statements before such statements are filed with the SEC, including the Company's disclosures made under "Management's Discussion and Analysis of Financial Condition and Results of Operations", Management Certifications mandated by Sections 302 and 906 of the Sarbanes-Oxley Act ("SOX"), annual reporting requirements under PCAOB auditing standards, including Statement on Auditing Standards No. 61 as amended by Statement on Auditing Standards No. 90, Communications with Audit Committees, PCAOB Auditing Standard 1301 (Communications with Audit Committees), Section 36 of the Federal Deposit Insurance Corporation Improvement Act, reports under Section 404 of SOX and, in the case of quarterly financial statements, the results of the independent auditor's reviews of the quarterly financial statements;
  - (b) any report or inquiry, received from any regulator or governmental agency, that is material to the Company's consolidated financial statements, and any reply to such report or inquiry before a response is communicated to the regulator or agency; and
  - (c) other material written communications between the independent auditor and management.
3. Review and approve the Committee Report to be included in the Proxy Statement for the Company's Annual Shareholders Meeting required by the proxy rules of the SEC (and any other reports the Company issues that relate to Committee responsibilities) before issued.
4. Have policy making authority for those areas of the Company's business and activities

assigned to the Committee by the Board from time to time, including, without limitation, the authority to approve, administer, enforce, and interpret those policies.

5. Meet at least annually with management, internal audit personnel, and the independent auditor in separate executive sessions to discuss any matters (i.e., internal control breakdowns, integrity of financial statements, etc.) that the Committee or each of these groups believes should be discussed privately. In addition, the Committee may request any officer or employee of the Company or the Company's internal and outside legal counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee shall also meet in executive session as it so determines.
6. Receive appropriate levels of funding, as determined by the Committee, from the Company including funding for compensation of the independent auditor retained by the Committee to provide any approved services.

### **Independent Auditor**

7. Be directly responsible for the annual appointment, compensation, oversight and discharge of the independent auditor, or other firm, engaged for the purpose of preparing or issuing an audit report or related work who shall report directly to the Committee. The Committee shall select the independent auditor<sup>3</sup>, considering independence and effectiveness. The Committee shall approve in advance all services to be performed by the independent auditor; and pre-approve all audit engagement fees and terms, audit-related, tax or other services (to the extent permitted under applicable law). The independent auditor shall not be engaged to perform any services prohibited by banking regulations, SEC, or PCAOB.
8. Take appropriate action to oversee the independence of the independent auditor, including:
  - (a) periodically review management consulting services and non-audit services not prohibited by applicable law and any transactional or other relationships between the Company and the independent auditor; and whether those services are compatible with maintaining the independence of the independent auditor;
  - (b) ensuring receipt and review of a formal written report from the independent auditor at least annually delineating (i) the independent auditor's internal quality control procedures; (ii) any material issues raised by the most recent PCAOB inspection report, quality-control reviews, peer reviews of the firm, or any inquiry or investigation by governmental or professional authorities relating to any audit carried out by the firm and any steps taken to deal with any such issues, and (iii) (to assess the independent auditor's independence) all relationships between the independent auditor and the Company; provision of non-audit services, and adequacy of auditor's quality controls;
  - (c) reviewing and evaluating the experience and qualifications of the senior members of the independent auditor team; evaluating the qualifications, performance, and independence of the independent auditor, including the review and evaluation of the lead partner of the independent auditor taking into account the opinions of management and the chief audit executive; and presenting its conclusions to the full Board and, if so, determined by the Committee,
  - (d) actively engaging in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor and taking appropriate action;

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<sup>3</sup> The independent auditor will be registered or licensed to practice as a public accountant, be in good standing under the laws of the state of incorporation and be registered to prepare or issue audit reports on United States public companies with the Public Company Accounting Oversight Board ("PCAOB").

- (e) complying with all relevant laws and regulations relative to the independence of the independent auditor, including rotation of independent auditor or outside audit personnel and the lead audit partner as required by law. Set hiring policies for employees or former employees of the independent auditor and collaborate with the independent auditor if any such situations arise or are considered;
  - (f) recommending to the Board such appropriate action, as necessary, concerning the qualifications, performance, and independence of the independent auditor
9. Meet and review with the independent auditor prior to the audit to discuss the planning, scope of services and staffing of the audit, as well as the audit procedures to be utilized, including coordination of audit effort with internal audit.
  10. Review the status of actions recommended by the independent auditor to remediate and resolve any significant control deficiencies or material weaknesses identified.
  11. Review internal accounting control reports (management letters) submitted by the independent auditor which relate to the Company.
  12. Discuss with the independent auditor the matters required to be described by PCAOB Auditing Standard 1301 (Communications with Audit Committees), including without limitation, any difficulties encountered in the course of the work, any restriction on the scope of the independent auditor's activities or on access to requested information and any significant disagreements with management.
  13. Review any material correcting adjustments that have been identified by the independent auditor in accordance with GAAP and applicable laws, rules, and regulations.

#### **Internal Audit**

14. Inquire of management, internal staff, the chief audit executive and/or the independent auditor about the Company's major risk (including financial risk) exposures, steps management has taken to monitor and control such exposures, including the Company's risk assessments, risk management policies, and risk governance framework effectiveness including any exceptions.
15. Review and approve the annual internal audit plan including budget, resource plan, activities, organizational structure, and overall risk assessment methodology relative to the Company's asset size and complexity, risk profile, and pace of technological and other changes; and all major changes to the plan. Review the internal audit activity's performance relative to its plan.
16. Discuss, on a periodic basis, the scope of services with internal audit personnel. Make appropriate inquiries of management and the chief audit executive to determine whether there are scope or budgetary limitations that impede the ability of the internal audit function to execute its responsibilities.
17. Review all internal audit reports and related dispositions with management and the chief audit executive; significant internal audit findings including material or persistent deficiencies reported to management and findings identified by regulators, management's responses, and related corrective action plan progress. Inquire as to whether any internal audit engagements or non-audit engagements have been completed but not reported to the Committee; if so, inquire as to any matters of significance that arose from such work.
18. Obtain from the chief audit executive an annual report on management's implementation and maintenance of an appropriate enterprise-wide risk management process including the effectiveness of the risk governance framework and any exceptions thereto, based on the timely assessment of risk management functions
19. Review and approve the appointment, replacement, or dismissal of the chief audit executive. Be directly responsible for (in consultation with the CEO) the annual performance evaluation, total

compensation, oversight, removal, and succession plan of the chief audit executive. Ensure there are no unjustified restrictions or limitations on the chief audit executive.

20. Review the effectiveness of the internal audit function, including conformance with The Institute of Internal Auditors' *Definition of Internal Auditing, Code of Ethics*, the *International Standards for Professional Practice of Internal Auditing*, banking regulatory expectations, and ensure internal audit independence.
21. Approve all significant aspects of outsourcing arrangements for internal audit. Internal audit is responsible for the scope, quality, and deliverables of work performed by its outsourced providers and will report identified audit deficiencies in a manner consistent with those provided by internal audit.
22. Support the stature and independence of internal audit by meeting directly with the chief audit executive regarding the internal audit function, organizational concerns, and industry concerns.
23. Ensure that the internal audit activity has a quality assurance and improvement program that complies with industry and banking regulatory guidance; is appropriate to the size, complexity, and risk profile of the Company; and that the results of these periodic assessments are presented to the Committee.
24. Ensure that the internal audit activity has an external quality assurance review every five years. Review the results of the independent external quality assurance review and monitor the implementation of internal audit's action plans to address any recommendations.
25. Encourage coordination amongst the independent auditors and internal audit to provide optimal coverage of the Company at a reasonable overall cost.
26. Review and approve the Internal Audit Charter on an annual basis.

### **Financial Reporting Processes**

27. Oversee the Company's compliance with the rules and regulations related to the preparation and presentation of financial statements. Discuss with management and the independent auditor any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and any special audit steps adopted in light of significant or material control deficiencies.
28. Review assessments of the adequacy of the Company's internal control structure, including information technology security and control, and procedures of the Company for financial reporting and the resolution of any identified significant deficiencies and material weaknesses in such internal control structure and procedures.
29. Discuss financial information and earnings guidance provided to analysts and rating agencies, although this may be done generally (i.e., discussion of the types of information to be disclosed and the type of presentation to be made).
30. Review and discuss analyses prepared by management setting forth the significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.
31. Review management's assessment of and justification for reported allowance for credit losses amounts; annually approve policy; and require periodic validation of loss estimation methods by management.
32. Review and discuss the effect of regulatory and accounting initiatives, including material off-balance sheet transactions, on the financial statements of the Company and the extent to which changes or improvements in financial or accounting practices, as approved by the

Committee, have been implemented. (This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.)

33. Discuss and review the type and presentation of information to be included in the Company's earnings policies (paying particular attention to any use of "pro forma" or "adjusted" non-GAAP information).
34. Review the issuance of a Form 8-K to the SEC at the next Committee meeting following the date that the Form 8-K is filed.
35. Review and recommend for approval by the Board the Company's Annual Report on Form 10-K
36. Review separately with each of management and the independent auditor following completion of the annual audit:
  - (a) any significant difficulties encountered during the course of the audit including any restrictions on the scope of work or access to required information.
  - (b) any significant disagreements between management and the independent auditor. The Committee shall have sole authority to resolve any disagreements between the independent auditor and management.
37. Review and approve SOX and Disclosure Committee Charters on an annual basis.

#### **Regulatory, Legal and Ethical Compliance**

38. Review with the Company's counsel and regulatory compliance specialist, any legal and regulatory matters that could reasonably have a significant impact on the Company's financial statements.
39. Provide access to communicate with the Committee to the chief risk officer and the chief compliance officer on any matter relevant to regulatory risk and compliance.
40. Review management's monitoring of the Company's compliance with the organization's code of conduct policies.
41. Establish a confidential process for receipt, review, retention, and evaluation of the treatment of reports or complaints received by the Company regarding accounting, internal controls or auditing matters, including confidential, anonymous submissions of concerns regarding questionable accounting or auditing matters. Review management's monitoring of the Company's compliance with the Company's internal policies relating to financial reporting and other public company reporting obligations, including, but not limited to, rules and regulations of the SEC.
42. Receive periodic presentations from management and the independent auditors on ethical non-compliance, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
43. Review with management waivers to the organization's conduct policies and ensure that any waivers for directors, executive officers, or senior financial officers are presented to the Board for approval.
44. Report regularly to the full Board and review any issues that arise with respect to the quality or integrity of the Company's financial statements, and the performance or independence of the independent auditor and the internal audit function.
45. Obtain advice and assistance from outside legal, accounting, or other advisors as the Committee deems necessary to carry out its duties and receive appropriate funding, as determined by the Committee, from the Company for payment of compensation to the outside legal, accounting, or other advisors employed by the Committee.
46. Perform other activities related to this Committee Charter as requested by the Board.

### **Limitation of Audit Committee's Role**

The independent auditor and internal audit personnel are or shall be ultimately accountable to the Committee, in its capacity as a committee of the Board, and to the full Board. While the Committee has the oversight, supervisory and other powers and responsibilities set forth in this Charter, it is not the responsibility of the Committee to plan or conduct audits, to implement internal controls, or to determine or certify that the Company's financial statements are in compliance with GAAP. These matters and tasks are the responsibility of the Company's management, the independent auditor, and internal audit personnel. Likewise, it is the responsibility of the Company's management and/or the independent auditor to bring appropriate matters to the attention of the Committee and to keep the Committee informed of matters which the Company's management or the independent auditor believe require attention, guidance, resolution or other actions, the bases therefore and other relevant considerations. While it is not the duty of the Committee to conduct investigations or to assure compliance with applicable laws, rules and regulations, the Committee may take such actions with respect to such matters as it deems necessary or advisable in fulfilling its duties identified above.

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It is acknowledged that all of the above-listed tasks and focus areas may not be relevant to all the matters and tasks that the Committee may consider and act upon from time to time, and the members of the Committee in their judgment may determine the relevance thereof and the attention such items shall receive in any particular context.