

## **U.S. Bancorp Audit Committee Charter**

### **Purpose:**

The purposes of the Audit Committee of U.S. Bancorp (the “Company”) are to:

- A. Provide assistance to the Board of Directors in fulfilling its responsibility to the shareholders, potential shareholders and investment community with respect to its oversight of:
  - (i) The quality and integrity of the Company’s financial statements, including matters relating to its internal controls;
  - (ii) The Company’s compliance with legal and regulatory requirements;
  - (iii) The independent auditor’s qualifications and independence; and
  - (iv) The performance of the Company’s internal audit function and independent auditors.
- B. Prepare the report that Securities and Exchange Commission (“SEC”) rules require be included in the Company’s annual proxy statement.

### **Membership:**

The Committee will consist of not less than three directors, each of whom meets the independence requirements of the New York Stock Exchange, Inc., the Company, the Securities and Exchange Act of 1934 and the rules and regulations of the SEC. The Board will determine whether each member of the Committee is “financially literate” and whether two members of the Committee have “banking or related financial management expertise,” as such qualifications are interpreted by the Board in its business judgment, and whether any member of the Committee is an “audit committee financial expert” as defined by the SEC. No member of the Committee may serve on the audit committee of more than three public companies, including the Company, unless the Board of Directors (i) determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee and (ii) discloses such determination in the annual proxy statement. The designation or determination by the Board of a person as an Audit Committee financial expert or having such literacy or expertise will not impose on such person individually, on the Committee, or on the Board as a whole, any greater duties, obligations or liability than would exist in the absence of such designation or identification.

The members of the Committee will be appointed by the Board of Directors from time to time. Committee members are subject to removal at any time by a majority of the Board. Any vacancy may be filled by the Board.

Unless a Chairman is designated by the full Board of Directors, the members of the Committee will designate a Chairman by the majority vote of the Committee. In the case of a tie vote on any issue, the Chairman's vote will decide the issue. The Chairman will preside over all meetings of the Committee and set the agendas for Committee meetings. The full Board of Directors, or the members of the Committee, may also designate a Vice-Chairman of the Committee. Any Vice-Chairman will assist the Chairman in connection with the meetings of the Committee and the agendas.

### **Powers and Responsibilities:**

The Committee will have the following responsibilities in carrying out its stated purposes. The Committee will also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time related to the purposes of the Committee outlined in Section I of this Charter.

#### Documents/Reports Review

1. Review and discuss with management and the independent auditors, prior to public dissemination, the Company's annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and a discussion with the independent auditors of the matters required to be discussed by Statement of Auditing Standards No. 61 and other professional auditing standards, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.
2. Review and discuss with management and the independent auditors the financial results communicated in the Company's earnings press releases (paying particular attention to the use of any "pro forma" or "adjusted" non-GAAP information), as well as any other material financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be general (consisting of discussing the types of information to be disclosed and the types of presentations to be made), and each instance in which the Company provides earnings guidance need not be discussed in advance.
3. Perform any functions required to be performed by it or otherwise appropriate under applicable law, rules or regulations, by the Company's by-laws and the resolutions or other directives of the Board, including review of any certification required to be reviewed in accordance with applicable law or regulations of the SEC; review of disclosures made to the Audit 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.
4. Review and discuss with management (including the Chief Audit Executive) and the independent auditor the Company's internal controls report and the independent

auditor's attestation of the report prior to its inclusion in the filing of the Company's Annual Report on Form 10-K.

#### Independent Auditor Selection and Oversight

5. The Committee has the sole responsibility for the appointment, compensation, retention and oversight of the work of the Company's independent auditors, and the independent auditors will report directly to the Committee. The Committee will also review and approve the independent auditor's work plan on an annual basis.
6. Approve in advance all audit and non-audit engagement services to be provided to the Company by the independent auditors, and other than "prohibited non-audit services" as defined in Section 10A(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), subject to exceptions described in the Exchange Act. The Committee may delegate to one or more of its members the authority to approve in advance any audit or permitted non-audit services, including fees and terms, to be provided by the independent auditors so long as they are presented for informational purposes to the full Committee at its next meeting.
7. Review, at least annually, the qualifications, performance and independence of the independent auditors and present its conclusions with respect to the independent auditor to the Board. In conducting its review and evaluation, the Committee should:
  - (a) Obtain and review a report by the Committee's independent auditor describing (i) the auditing firm's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditing firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, with respect to one or more independent audits carried out by the auditing firm, and any steps taken to deal with any such issues; and (iii) to assess the auditor's independence, all relationships between the independent auditor and the Company;
  - (b) Ensure the rotation of the lead audit partner as required by law or regulation;
  - (c) Review and evaluate the performance and qualifications of the lead audit partner of the independent auditor on an annual basis;
  - (d) Recommend to the Board clear policies for the Company's hiring of employees or former employees of the independent auditor; and
  - (e) Facilitate open communications among the Company's independent auditor, management, the internal audit division and the Board.

#### Financial Reporting Process

8. In consultation with the independent auditors, management and the internal auditors, periodically review the integrity of the Company's financial reporting processes, relied upon to prepare SEC or other regulatory filings. In that connection, the Committee should obtain and discuss with management and the independent auditor quarterly reports from management and the independent auditor regarding:  
(i) critical accounting policies and practices used by the Company; (ii) analysis prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Company's management, the ramifications of the use of the alternative disclosures and treatments, and the treatment preferred by the independent auditor; (iii) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles; (iv) significant issues relating to the adequacy of the Company's internal controls and specific audit policies or procedures adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting; and (v) any other material written communications between the independent auditor and the Company's management.
9. Review periodically the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
10. Review with the independent auditor (i) any audit problems or other difficulties encountered by the auditor in the course of the audit process, including any restrictions on the scope of the independent auditor's activities or on access to the requested information, and any significant disagreements with management and (ii) management's responses to such matters. The Committee will resolve any disagreements between management and the independent auditors regarding financial reporting, and discuss with the independent auditor material issues on which the national office of the independent auditor was consulted by the team.

#### Legal and Compliance Matters

11. Review information from internal audit, management and the independent auditors, as appropriate, concerning the Company's compliance with applicable legal and regulatory requirements, including employees' compliance with the Company's Code of Ethics.
12. Taking into consideration the Board's assignment of primary responsibility for oversight of operational risk management to the Risk Management Committee:
  - a) Discuss with management and the independent auditors the Company's guidelines and policies with respect to risk assessment and risk management. Discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

- b) Review periodically, with the Company's legal counsel, any legal matter that could have a significant impact on the Company's financial statements.
  - c) Review periodically, with the Company's Chief Risk Officer, any regulatory, risk or compliance matter that could have a significant impact on the Company's financial statements.
  - d) Review significant findings with respect to the credit process arising out of credit risk management exams and the status of management's response to any noted issues.
13. Review annually management's assessment of compliance with laws and regulations regarding loans to insiders (Regulation O) and dividend restrictions, and review the Company's annual FDICIA report.
14. Establish and review annually, policy and procedures for: (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters and (ii) the confidential, anonymous submission by employees of the listed issuer of concerns regarding questionable accounting, internal controls, or auditing matters.
15. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.

### Reports

16. Prepare all reports of the Committee required to be included in the Company's annual proxy statement, pursuant to and in accordance with applicable rules and regulations of the SEC.
17. Report regularly to the full Board of Directors on:
- (i) any issues that arise with respect to the quality or integrity of the Company's financial statements, application of accounting principles, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors or the performance of the internal audit function;
  - (ii) the matters addressed at all meetings of the Committee, including the Committee's conclusions following its annual review of the performance of the independent auditor; and
  - (iii) such other matters as are relevant to the Committee's discharge of its responsibilities.

The Committee will recommend action by the Board, as the Committee deems appropriate. The report to the Board of Directors may take the form of an oral

report by the Chairman or any other member of the Committee designated by the Committee to make such report.

18. Maintain minutes or other records of meetings and activities of the Committee.

#### Internal Audit

19. Review annually the education and experience of the key members of the audit team, internal auditors including the internal audit outsource vendor, and financial management.
20. Review and approve the appointment and, as appropriate, the replacement of the Chief Risk Officer and Chief Audit Executive.
21. Review and approve, on an annual basis, the Internal Audit Charter and audit plan for the upcoming year.
22. Review quarterly the annual Internal Audit plan and risk assessment, as well as the progress against the plan and significant changes to the Company's risk profile.
23. Review quarterly with management, the internal auditors and the independent auditors their assessments of the adequacy of internal controls and the status of resolution of any identified material weaknesses or reportable conditions.
24. Review annually with Internal Audit their assessment of compliance with the Interagency Policy Statement on Internal Audit and Internal Audit Outsourcing.
25. Review significant issues prepared by Internal Audit and the status of management's corrective actions.

#### Other Matters

26. Perform a review and evaluation, at least annually, of the performance of the Committee and its members.
27. Perform an annual review of the adequacy of, and its compliance with, this charter.

#### **Meetings:**

The Committee will meet at least quarterly. The Committee will periodically meet separately with members of management, the Chief Audit Executive, and the independent auditors to discuss any matters that the Committee or any of these groups or individuals believes would be appropriate to discuss privately. The Chairman of the Board or any member of the Committee may call meetings of the Committee. All meetings of the Committee may be held telephonically. A majority of the members of the Committee will constitute a quorum. The Committee will meet in executive session without any members of senior management present at each of the regularly scheduled meetings.

The Committee may invite to its meetings any director, member of management or any other persons as it deems appropriate in order to carry out its responsibilities.

### **Resources and Authority:**

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate. In this regard, the Committee will have the resources and authority it deems appropriate to discharge its responsibilities including the authority to engage outside legal, accounting or other advisors for this purpose at the Company's expense and to approve the fees and other retention terms related to the appointment of such advisors.

The Committee may delegate its authority to subcommittees established by the Committee from time to time, which subcommittees will consist of one or more members of the Committee and will report to the Committee.

The Committee will be given full access to the Company's internal audit group, Board of Directors, corporate executives and independent accountants as necessary to carry out these responsibilities. While acting within the scope of its stated purpose, the Committee will have, to the fullest extent permitted by law, all of the authority of the Board of Directors.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits, to prepare the Company's financial statements or disclosures or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with Generally Accepted Accounting Principles (GAAP) and applicable rules and regulations. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies used by the Company. The independent auditors are responsible for auditing the Company's financial statements and for reviewing the Company's unaudited interim financial statements. Likewise, it is not the Committee's responsibility to conduct investigations, or to assure that the Company complies with specific legal requirements or the Company's code of ethics. Each member of the Committee will be entitled to rely, to the fullest extent permitted by law, upon the integrity of those persons or organizations within and outside the Company from whom it receives information, and the accuracy of the information.

### **Adoption of Charter:**

This Charter was adopted by the Board of Directors on October 21, 2008, effective January 19, 2009.