

KEYCORP
AUDIT COMMITTEE
CHARTER
AS OF MAY 18, 2016

Committee Purpose: The Committee acts on behalf of the KeyCorp Board of Directors to assist Board oversight of the integrity of the Corporation's financial statements, compliance with legal and regulatory requirements, the independent auditors' qualifications and independence, and the performance of the Corporation's internal audit function and independent auditors. The Committee also prepares any report of the Committee required to be included in the Corporation's annual proxy statement in accordance with the Securities Exchange Act of 1934, as amended, and reviews other audit-related materials that appear in the Corporation's annual proxy statement.

Members of the Committee are appointed by the Board of Directors based on the recommendation of the Nominating and Corporate Governance Committee and shall serve at the pleasure of the Board. The Board of Directors shall appoint the Committee Chair. Members of the Committee shall individually meet the independence requirements of the New York Stock Exchange and the Sarbanes-Oxley Act of 2002 and shall collectively meet the experience requirements of the New York Stock Exchange.

The Committee, without the necessity of seeking Board approval, shall have the authority to retain independent counsel and accounting and other advisors as it determines necessary to carry out its duties. The Corporation shall provide funding for (i) compensating the independent auditors for preparing an annual report or performing other audit, review or attest services, (ii) compensating independent counsel or other advisors engaged by the Committee as it determines necessary to carry out its duties, and (iii) any ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee may request any officer or employee of the Corporation or the Corporation's outside counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Meetings of the Audit Committee shall be conducted (including with respect to quorum requirements) as described in Article III of the Corporation's Code of Regulations. Membership requirements shall be as described in Article III of the Corporation's Code of Regulations.

The Committee shall make regular reports of its meetings to the Board of Directors.

Functions, Duties, and Authorities. The Committee shall:

1. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors;
2. With respect to the independent auditors,

- (i) have sole authority to select, retain, evaluate, replace, compensate, and oversee the work of the independent auditors (including resolution of disagreements between management and the independent auditors);
 - (ii) approve all audit and non-audit services for the Corporation (the Chair of the Committee shall have the authority to grant any required approvals, subject to the Chair reporting any such approvals to the Committee at its next scheduled meeting);
 - (iii) instruct the independent auditors that the independent auditors are directly accountable to the Committee;
 - (iv) obtain and review a report from the independent auditors at least annually regarding (a) the auditors' internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review, or peer review of the auditors, 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 auditors, (c) any steps taken to deal with such issues, and (d) all relationships between the auditors and the Corporation so that the Committee may assess the auditor's independence;
 - (v) ensure that the independent auditors prepare and deliver annually a Statement of Independence (it being understood that the independent auditors are responsible for the accuracy and completeness of this Statement) and discuss with the independent auditors any relationships or services disclosed in this Statement that may impact the objectivity and independence of the Corporation's independent auditors; and
 - (vi) as appropriate as determined by the Committee, obtain advice and assistance from independent counsel and accounting and other advisors.
3. With respect to the preparation of financial reports and the conduct of the related audits of the Corporation,
- (i) advise management and the independent auditors that they are expected to provide to the Committee a timely analysis of significant financial reporting issues and practices (and, in that regard, the Committee directs, and shall be entitled to rely upon, management and the independent auditors to identify financial reporting issues and practices, if any, of significance requiring Committee oversight);
 - (ii) discuss with the independent auditors the matters required to be discussed by Public Company Accounting Oversight Board Auditing Standard Number 16 as from time to time in effect (including any Standard hereafter issued in replacement thereof) relating to the conduct of the audit of the Corporation;

- (iii) meet with management and the independent auditors to (a) discuss the scope of the annual audit, (b) review and discuss the annual audited financial statements including reviewing specific disclosures made in management's discussion and analysis, (c) discuss any significant matters arising from the audit or report as disclosed to the Committee by management or the independent auditors, (d) review the form of opinion the independent auditors propose to render with respect to the audited annual financial statements, (e) discuss significant changes to the Corporation's auditing and accounting principles, policies, or procedures proposed by management or the independent auditors, and (f) inquire of the independent auditors of significant risks or exposures, if any, that have come to the attention of the independent auditors and any difficulties encountered in conducting the audit, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management;
- (iv) meet with management and the independent auditors to discuss any report required of the independent auditors by Section 204 of the Sarbanes-Oxley Act and rules promulgated thereunder by the Securities and Exchange Commission including any report pertaining to critical accounting policies and practices to be used by the Corporation; all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors; and other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences;
- (v) meet with management and the independent auditors to discuss and review the Corporation's quarterly financial statements including reviewing specific disclosures made in management's discussion and analysis;
- (vi) obtain from the independent auditors assurances that in the course of conducting an audit that no "illegal act" (as defined in Section 10A of the Securities Exchange Act of 1934, as amended) has been detected or otherwise come to the attention of the independent auditors that is required to be disclosed to the Committee under said Section 10A; and
- (vii) review with representatives of the independent auditors, management, risk management, and the risk review group, the adequacy of the Corporation's internal controls which shall include a review of the disclosures required to be reported to the Committee by Section 302 of the Sarbanes-Oxley Act of 2002 and any rules promulgated thereunder by the Securities and Exchange Commission;

4. Discuss generally with management the Corporation's earnings press releases as well as financial information and earnings guidance, if any, provided to analysts and rating agencies; provided, however, the Committee need not discuss in advance each earnings release or each instance in which the Corporation may provide earnings guidance;
5. Pursuant to the Federal Deposit Insurance Corporation Improvement Act of 1991 ("Act") provisions relating to independent audits and reporting requirements, and the FDIC regulations relating thereto, review with management and the independent auditors the basis for the annual reports required by the Act and the regulations relating thereto, and otherwise perform the duties of the audit committee under such regulations;
6. Review with the Corporation's General Counsel legal matters that may have a material impact on the financial statements and review with the chief risk officer or his or her designee and the general counsel, as appropriate, any material reports or inquiries received from regulators or government agencies raising significant issues as to compliance with applicable laws;
7. Meet separately, periodically, with the chief risk review officer and general auditor, a representative or representatives of management (who may be the chief financial officer), and the independent auditors;
8. Review and approve "significant" policies (as defined in KeyCorp's Policy Governance Policy) relating to the risk areas overseen by the Committee and set policies for the Corporation's hiring of employees or former employees of the independent auditors;
9. Provide oversight as the audit committee for the Corporation's banking subsidiaries (and, in that regard, the Committee directs, and shall be entitled to rely upon, the risk review group, management, and independent auditors to identify issues, if any, of significance requiring Committee oversight);
10. Meet with management and, in particular, the chief risk review officer and general auditor, to discuss the process by which risk review is undertaken. Additionally, this Committee shall have responsibility over all risk review functions (including internal audit), financial reporting, legal matters, and fraud risk. Further, the Committee shall consider matters pertaining to significant risk issues interwoven with or otherwise arising out of other risks and matters within the Committee's jurisdiction.
11. With the Risk Committee, review and provide oversight of the Corporation's methodology for setting the allowance for loan and lease losses to insure that it appropriately reflects risk in the portfolio; trends relating to non-performing assets and charge-offs, and determinations made by management about the appropriate level and adequacy of the allowance for loan and lease losses; and maintenance by management of appropriate documentation that will provide transparency into model precision adjustments.
12. (i) Review the appointment and replacement of the chief risk review officer and general auditor who shall have a direct reporting relationship with the Committee (the officer shall report administratively to the appropriate Corporation executive);(ii) review and approve

- the annual plan of risk reviews and assessments prepared by the risk review group as well as any subsequent changes to the plan and receive interim reports on performance against the plan; (iii) receive reports on the operation of the risk review function including discussions of organizational structure, staffing levels, compensation strategy, and infrastructure (people, process, technology); (iv) receive periodic reports on changing expectations and updates to industry internal audit standards; (v) receive periodic reports on credit risk review activities and (vi) review and approve the selection and retention of internal audit vendors.
13. Receive reports on enterprise risk (including operational and compliance risk).
 14. Advise the chief risk review officer and general auditor that he or she is expected to provide to the Committee (i) summaries of and, as appropriate, significant audit reports to management, and management responses relating thereto, and (ii) significant inspection and examination reports;
 15. Provide to the Compensation and Organization Committee information regarding any issues brought before the Committee that may materially impact the Corporation's future financial performance and therefore impact incentive compensation awards;
 16. Establish procedures for the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, and auditing matters and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
 17. Act as the Corporation's Qualified Legal Compliance Committee with the authority and responsibility as set forth in Section 307 of the Sarbanes-Oxley Act of 2002 or any rule promulgated thereunder by the Securities and Exchange Commission; and
 18. Conduct and review with the Board of Directors annually an evaluation of the Committee's performance with respect to the requirements of this Charter.

While the Committee has the functions, duties and authorities set forth in this Charter, its role is one of oversight. It is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate or are in accordance with generally accepted accounting principles. This is the responsibility of management. The independent auditors are responsible for planning and carrying out a proper audit and review, including reviews of the Corporation's quarterly financial statements prior to the filing of each quarterly report on Form 10-Q. In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not employees of the Corporation and are not, and do not represent themselves to be, serving as accountants or auditors. As such, it is not the responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting procedures and each member of the Committee shall be entitled to rely, in good faith, on the integrity of those persons or organizations within and outside of the Corporation that it receives information, opinions, reports, or statements from and the accuracy of the financial and other information, opinions, reports, or statements provided to the Committee by such persons or organizations.

Delegation to Subcommittee. The Committee may delegate to a subcommittee of its members (including alternates) any of its functions, duties and authorities, on such terms and conditions and with such limitations (if any) as the Committee deems appropriate.