
AUDIT AND COMPLIANCE COMMITTEE CHARTER

PURPOSE

The Audit and Compliance Committee shall carry out the Board's overall responsibility with respect to: (1) the integrity of the Company's financial statements and the financial reporting process, (2) the independent accountant's qualifications and independence, (3) the performance of the Company's internal audit function and independent accountants, (4) the Company's compliance with legal and regulatory requirements, (5) oversight of the Company's system of internal controls, including controls relating to operations, financial reporting and compliance with laws and regulations, and (6) oversight of the Company's technology risks as they pertain to the oversight responsibilities assigned to the Committee.

The Audit and Compliance Committee shall review and approve the audit committee report required by the rules of the Securities and Exchange Commission (the "SEC") to be included in the Company's annual proxy statement.

COMMITTEE MEMBERSHIP

The Audit and Compliance Committee shall consist of no fewer than four members. All members of the Audit and Compliance Committee shall meet the independence and experience requirements of the NASDAQ Rules and applicable SEC rules and regulations. At least one member of the Audit and Compliance Committee shall be qualified and designated as an "audit committee financial expert" as defined by SEC regulations. At least two members of the Audit and Compliance Committee shall have banking or related financial management expertise, and the Audit and Compliance Committee shall not include any members who are large customers of Umpqua Bank (customers the termination of which likely would materially and adversely affect Umpqua Bank's financial condition or results of operations), each as required by the Federal Deposit Insurance Act and related regulations. Audit and Compliance Committee members shall not simultaneously serve on the audit committees of more than two other public companies.

Annually, the Board shall appoint the members of the Audit and Compliance Committee on the recommendation of the Governance Committee. The Board Chair, or the Lead Director if the Board Chair is not independent, may appoint an independent director to serve on the Committee on a temporary basis to meet quorum requirements. The Board may replace a Committee member at any time.

COMMITTEE CHAIR

The Board shall appoint one of the Committee members as the Committee Chair. The Committee may appoint one of its members as Vice Chair, to carry out the duties of the Committee Chair in his or her absence.

MEETINGS

The Audit and Compliance Committee shall meet as often as it determines, but at least quarterly. The Audit and Compliance Committee shall meet periodically with

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management, the internal auditors and the independent accountants and it shall regularly meet in executive sessions, without management present. The Committee Chair may request any officer or employee of the Company or the Company's outside counsel or independent accountant to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

COMMITTEE REPORTS

The Committee Chair shall report the Committee's activities and actions to the Board at the regular Board meeting next following each Committee meeting. The Committee may refer to the Board any matter that the Committee believes should be addressed by the Board. The Audit and Compliance Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Audit and Compliance Committee shall annually review the Audit and Compliance Committee's own performance, as it relates to compliance with this Charter.

COMMITTEE AUTHORITY AND RESPONSIBILITIES

The Audit and Compliance Committee shall have the sole authority to appoint or replace the Company's registered independent public accounting firm ("independent accountant") (subject, if applicable, to shareholder ratification). The Audit and Compliance Committee shall be directly responsible for the compensation and oversight of the work of the independent accountant (including resolution of disagreements between management and the independent accountant regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent accountant shall report directly to the Audit and Compliance Committee.

The Audit and Compliance Committee shall pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent accountant, subject to the de minimus exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act, which are approved by the Audit and Compliance Committee prior to the completion of the audit. The Audit and Compliance Committee may form subcommittees and delegate authority to the Committee Chair or to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of the Committee Chair or such subcommittee to grant pre-approvals shall be presented to the full Audit and Compliance Committee at its next scheduled meeting.

The Audit and Compliance Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Audit and Compliance Committee, for payment of compensation to the independent accountant for the purpose of rendering or issuing an audit report and to any advisors employed by the Committee.

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The Audit and Compliance Committee shall have all of the authority of the Board to act or exercise corporate powers with respect to the following:

Financial Statement and Disclosure Matters

1. Review and discuss with management and the independent accountant the annual audited financial statements, including disclosures made in management's discussion and analysis, 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 accountant all earnings releases prior to public issuance.
 - 2.1 Management shall provide a draft of the Form 10-Q to the Committee for review before it is filed. The members of the Committee shall review it and management and the independent accountant shall be available to respond to questions or concerns. The Committee Chair, in his or her discretion, may call a Committee meeting to discuss the 10-Q with management and the independent accountant before it is filed.
3. Discuss with management and the independent accountant significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
4. Review and discuss the periodic reports from the independent accountants on:
 - a. All critical accounting policies and practices to be used.
 - b. 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 accountant.
 - c. Other material written communications between the independent accountant and management, such as any management letter or schedule of unadjusted differences.
5. 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 discussing the types of information to be disclosed and the types of presentations to be made).

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6. Discuss with management and the independent accountant the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
7. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
8. Discuss with the independent accountant the matters required to be discussed by Public Company Accounting Oversight Board's (PCAOB) Auditing Standard 1301: *Communications with Audit Committees* relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, and restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
9. Review disclosures made to the Audit and Compliance 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.

Oversight of the Company's Relationship with the Independent Accountant

10. Review and evaluate the lead partner of the independent accountant team.
11. Obtain and review a report from the independent accountant at least annually regarding (a) the independent accountant's internal quality-control procedures, (b) 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 independent audits carried out by the firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent accountant and the Company. Evaluate the qualifications, performance and independence of the independent accountant, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, and taking into account the opinions of management and internal auditors. The Audit and Compliance Committee shall present its conclusions with respect to the independent accountant to the Board.
12. Ensure the rotation of the lead and concurring audit partners every five (5) years and the rotation of other audit partners every seven (7) years, or as otherwise required by law. Consider whether, in order to assure continuing auditor quality

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and independence, it is appropriate to continue the present policy of reviewing the independent accountant engagement every five years.

13. Recommend to the Board policies for the Company's hiring of employees or former employees of the independent accountant who participated in any capacity in the audit of the Company.
14. If appropriate, discuss with the national office of the independent accountant issues on which the Company's audit team consulted them and matters of audit quality and consistency.
15. Meet with the independent accountant prior to the audit to discuss the planning and staffing of the audit.

Oversight of the Company's Internal Audit Function

16. Annually approve the Internal Audit Charter and Internal Audit policies.
17. Annually approve the risk-based Internal Audit Plan, which includes budgeted hours, resource projections, and a contingency plan. The contingency plan should include a consideration of the extent to which outsourcing arrangements may be used to ensure that Internal Audit can achieve its intended objectives.
18. Require communications from the Chief Audit Executive on Internal Audit performance relative to its plan and other matters. This should include audit plan status, audit issue aging and past-due status, trends and thematic concerns, and other agreed upon metrics.
19. Receive, at least annually, an opinion from the Chief Audit Executive on the adequacy of risk management processes, including effectiveness of management's self-assessment and remediation of identified issues.
20. Ensure there are no unjustified restrictions or limitations on internal audit's scope of activities, resources or access to information.
21. Review reports on significant changes in audit staffing levels.
22. Receive, on an annual basis, confirmation from the Chief Audit Executive, the organizational independence of Internal Audit activity.
23. Review regular audit results, focusing on those areas rated less-than-satisfactory.
24. Review and approve any material audit plan changes (adds, cancelations, deferrals), which should include the rationale for any changes.

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25. Review the results of internal and external quality assurance reviews.
26. Review information on significant industry trends, Bank trends in risks and controls, and information on major projects.
27. Approve decisions regarding the appointment and removal of the Chief Audit Executive.
28. Approve the remuneration of the Chief Audit Executive.
29. Together with the Chief Audit Executive, provide oversight over any outsourced audit work.

Compliance / AML Risk Management Oversight Responsibilities

30. Review and report to the Board on all state and federal regulatory examination reports and management's response to those reports.
31. Annually review and approve the Bank's Compliance Management System program to ensure that it has effective controls over internal and external regulatory risks.
32. Regularly review reports from Compliance personnel with respect to the status and effectiveness of the CMS program and monitor remediation of open issues.
33. Review the qualifications of the Chief Compliance Officer and approve his or her appointment to that position. Review the qualifications of the BSA/AML officer and approve his or her appointment to that position.
34. Discuss with management the compliance department's responsibilities and staffing plans to ensure that the CMS program has adequate resources.
35. Obtain from the independent accountant assurance that there are no illegal acts to be reported to the Committee under Section 10A(b) of the Exchange Act (15 USC §78j-1(a)(b)).
36. Obtain reports from management, the Company's senior internal auditing executive and the independent accountant that the Company and its subsidiary/foreign-affiliated entities are in conformity with applicable legal requirements and the Company's Business Ethics and Conflict of Interest Code. Review reports and disclosures of insider and affiliated party transactions. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Business Ethics and Conflict of Interest Code.

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37. 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.
38. Discuss with management and the independent accountant any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.
39. Discuss with the Company's General Counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.
40. Review and approve or disapprove proposed transactions (excluding Reg O loans) between the Company or its subsidiaries and any "related person", as defined in Regulation S-K, in accordance with procedures adopted by the Committee from time to time.

Oversight of the Credit Review Function

41. Review and approve the Credit Review Plan on an annual basis.
42. Review activity reports, portfolio analysis, project summaries and plan to actual status on a periodic basis.
43. Discuss with management, the credit review department responsibilities, budget, staffing and any recommended changes in planned scope.

Review of Policies

44. Review, approve, disapprove and modify the following policies:

COMM 02.0	Social Media Policy
COMP 01.2	Affiliate Tax Sharing Agreement Policy
COMP 01.3	Affiliate Transactions Policy
COMP 04.0	Electronic Funds Transfer Act Policy (Reg E)
COMP 09.0	Compliance Management System Policy
	Truth-In-Savings Act (Reg DD); Reg CC; Reserve Requirements;
COMP 11.0	Expedited Funds Availability Act (Reg CC) Policy
COMP 12.0	Reserve Requirements (Reg D) Policy
COMP 13.0	Truth in Savings Act (Reg DD) Policy
COMP 14.0	Unlawful Internet Gambling Enforcement Act (Reg GG) Policy
COMP 15.0	BSA/AML & Sanctions Compliance Program Policy
COMP 16.0	Gramm-Leach-Bliley Act-Financial Privacy Policy

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COMP 17.0	Anti-Tying Policy
COMP 18.0	Financial Elder Abuse Reporting Policy
COMP 28.0	Over Draft Policy
FIN 02.0	Authorized Signing and Operating Authorities Policy
GOVN 03.0	Code of Ethics for Financial Officers
GOVN 04.0	Engagement of Public Accountant Services Policy
GOVN 09.0	Accessibility Policy
MAR 04.0	Restrictions on Marketing Practices – Telephone Consumer Protection Act (TCPA) and Email Solicitation (CAN-SPAM Act) Policy

LIMITATION OF COMMITTEE’S ROLE

While the Audit and Compliance Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent accountant.