

FIRST FINANCIAL BANCORP AND SUBSIDIARIES AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

Committee Purpose

The Committee's purpose is to assist the board of directors of First Financial Bancorp. (the "Company") and oversee the Company's accounting and financial reporting processes, the external auditors' qualifications and independence, the performance of the Company's internal audit function and the external auditors, the Company's risk assessment and risk management policies, and the Company's compliance with applicable legal and regulatory requirements. This purpose includes a particular focus on the qualitative aspects of financial reporting to shareholders and the Company's processes for the management of business/financial risk. In fulfilling its purpose, the Committee shall coordinate with other board Committees and maintain strong, positive working relationships with management, external and internal auditors, counsel and other Committee advisers.

While the Committee has the responsibilities and powers set forth in the 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 the generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditors.

Committee Membership

The Committee shall consist of at least three members, all of whom shall be appointed by the Board of Directors.

Each Committee member must be a member of the Board of Directors and meet the independence, financial literacy and other applicable requirements of the Marketplace Rules of the National Association of Securities Dealers ("NASD") and the Securities and Exchange Commission ("SEC"). At least one member of the Committee must meet the financial sophistication requirements of the NASD Marketplace Rules.

In appointing members to the Committee, the Board of Directors shall ensure that at least one Committee member qualifies as an audit committee financial expert within the meaning of SEC regulations, and that the composition of the Committee complies with any other listing standards and legal requirements applicable to the Company.

The Board of Directors (or such other committee of the Board as the Board may authorize) shall have sole authority and responsibility for determining whether a member or proposed member of the Committee is qualified for Committee membership, and which Committee member or members will be designated as an audit committee financial expert, based upon appropriate representations of the individual and such other inquiries as the circumstances may warrant.

The Board shall designate one member of the Committee as Chair. The Chair need not be an audit committee financial expert.

The Committee shall have the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties.

Committee Funding

The Committee shall have the authority to determine, and the board of directors shall provide, the funding necessary for payment of:

- Compensation to the external auditors;
- Compensation to any advisers, including independent counsel, engaged by the Committee;
- The budget for the internal audit function; and
- Ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Frequency and Conduct of Meetings

The Committee shall meet at least quarterly. Additional meetings shall be scheduled as considered necessary by the Committee or chairperson.

Committee meeting agendas shall be the responsibility of the Committee chair, with the assistance of the internal auditor and input from Committee members. It is expected that management and key Committee advisers, and perhaps others, would participate in this process.

Written materials should, as a general rule, be received from management, auditors, and others at least one week in advance of meeting dates. Meeting conduct will assume Committee members have reviewed written materials in sufficient depth to participate in Committee discussions.

The Committee shall request members of management, counsel, internal auditors, and external auditors, as applicable, to participate in Committee meetings, as necessary, to carry out the Committee responsibilities. It shall be understood that either the external auditors, the chief risk officer, the chief internal auditor, or counsel may, at any time, request a meeting with the Committee or Committee chair with or without management attendance. In any case, the Committee shall meet in executive session at least annually, which session shall include risk management and internal audit, and shall meet separately with the external auditors, at least annually.

Reporting to Board of Directors

The Committee, through the Committee chair, shall report periodically, as deemed necessary, but at least semi-annually, to the full board of directors. In addition, summarized minutes from Committee meetings, separately identifying monitoring activities from approvals, shall be

provided to each board member at the next regularly scheduled meeting of the board of directors following the date of the Committee meeting.

Reporting to Shareholders

The Committee shall make available to shareholders a summary report on the scope of its activities. This may be identical to the report that appears in the Company's annual proxy statement.

Relationship with External Auditors

The external auditors, in their capacity as an independent, registered public accounting firm, shall report directly to the Committee. The Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of the external auditors (including resolution of disagreements between management and the external auditors regarding financial reporting).

Before the external auditors are engaged by the Company to render audit or permissible non-audit services, the engagement shall either be approved by the Committee or be entered into pursuant to pre-approval policies and procedures established by the Committee as necessary to maintain the independence of the external auditors under Securities and Exchange Commission ("SEC") regulations.

The Committee shall annually review the performance (effectiveness, objectivity, and independence) of the external auditors. The Committee shall ensure receipt of a formal written statement from the external auditors consistent with Independence Standards Board Standard No. 1. Additionally, the Committee shall discuss with the external auditors relationships or services that may affect auditor objectivity or independence. If the Committee is not satisfied with the external auditors' assurances of independence, it shall take appropriate action to oversee the independence of the external auditors.

Oversight of Risk Management

The Committee shall oversee the risk management function. The chief risk officer shall be responsible for the risk management function and for the coordination of risk assessment and monitoring activities listed in the Company's risk management plan, to better utilize available resources and to enhance the Company's ability to comprehensively manage risk. The chief risk officer shall annually present a comprehensive risk management plan for the Committee's approval.

Oversight of Internal Audit Function

The Committee shall oversee the internal audit function and shall appoint a chief internal auditor who shall be responsible for the internal audit function. The chief internal auditor shall report to the Committee regarding internal audit issues and shall annually present an internal audit plan for the Committee's approval. To maintain the internal auditor's independence, the Committee shall annually review the performance and compensation of the chief internal auditor.

Communications from Committee Advisers

If the external auditors, chief risk officer, or internal auditor identify significant issues relative to the overall board responsibility that have been communicated to management but, in their judgment have not been adequately addressed, they should communicate these issues to the Committee chair.

Primary Committee Responsibilities

Monitor Financial Reporting, Disclosures and Risk Control Related Matters

The Committee shall review and assess:

- *Risk Management* – The Company’s business risk management process, including the adequacy of the Company’s overall control environment and controls in selected areas representing significant financial and business risk.
- *Internal Controls and Regulatory Compliance* – The Company’s system of internal controls for detecting accounting and reporting financial errors, fraud and defalcations, legal violations, and noncompliance with the code of business conduct and ethics.
- *Annual Reports and Other Major Regulatory Filings* – All major financial reports in advance of filings or distribution, including (1) external auditors’ reviews of the quarterly financial statements prior to the filing of the Company’s Form 10-Q; and (2) annual audited financial statements and disclosures made in Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A), and recommend to the Board whether the audited financial statements should be included in Company’s Form 10-K.
- *Earnings Press Releases* – The Company’s earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. The Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.
- *Disclosures* – The Chief Executive Officer’s and Chief Financial Officer’s disclosures during the certification process for the 10-Ks and 10-Qs about (1) any significant deficiencies and material weaknesses in design or operation of internal controls over financial reporting and (2) any fraud, whether or not material, involving management or other employees who have a significant role in the Company’s internal controls.
- *Internal Audit Responsibilities* – The annual internal audit plan and the process used to develop the plan. Status of activities, significant findings, recommendations, and management’s response.
- *Regulatory Examinations* – SEC inquiries and the results of examinations by other regulatory authorities in terms of important findings, recommendations, and management’s response.

- *External Audit Responsibilities* – Auditor independence and the overall scope and focus of the annual/interim audit, including the scope and level of involvement with unaudited quarterly or other interim-period information.
- *Financial Reporting and Controls* – Key financial statement issues and risks, their impact or potential effect on reported financial information, the processes used by management to address such matters, related auditor views, and the basis for audit conclusions. Important conclusions on interim and/or year-end audit work in advance of the public release of financials.
- *Auditor Recommendations* – Important internal and external auditors’ recommendations on financial reporting, controls and other matters, including specifically, discussions with the external auditors regarding:
 - All critical accounting policies and practices to be used;
 - All alternative treatments within Generally Accepted Accounting Principles for policies and practices related to material items that have been discussed with management;
 - Other material written communications between the external auditors and management;
 - Difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, any significant disagreements with management, and communications between the audit team and the audit firm’s national office with respect to difficult auditing or accounting issues presented by the engagement; and
 - Management’s response to such recommendations and the views of management and auditors on the overall quality of annual and interim financial reporting.
- *Committee Performance* – The Committee’s own performance as well as the Committee’s role and responsibilities, seeking input from senior management, the full board of directors, and others.

The Committee shall discuss with management and/or external auditors, at least annually:

- Developments and issues with respect to reserves;
- Regulatory and accounting initiatives, as well as off-balance sheet structures, and their effect on the Company’s financial statements;
- Accounting policies used in the preparation of the Company’s financial statements (specifically those policies for which management is required to exercise discretion or judgment regarding the implementation thereof);

- Management's evaluation of the Company's internal control structure and procedures for financial reporting and review periodically, but in no event less frequently than quarterly, management's conclusions about the efficacy of such internal controls and procedures, including any significant deficiencies or material weaknesses in such controls and procedures;
- Management's assessment of (1) the effectiveness of the Company's internal control structure and procedures for financial reporting and (2) the external auditors' attestation to, and report on, management's control assessment related to the Company's internal controls over financial reporting;
- The Company's major credit, market, liquidity and operational risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk policies; and
- Any material legal affairs of the Company and Company's compliance with applicable law and listing standards with Company's General Counsel.

The Committee shall review, assess, and approve:

- At least annually, the code of business conduct and ethics (including the code of ethics for the chief executive officer and senior financial officers), the internal audit charter and the Committee charter.
- Waivers of the Code of Business Conduct and Ethics effected for or granted to any director or executive officer. Such waivers shall be promptly reported as required by law or stock exchange regulation.
- At least annually, the risk management plan and the internal audit plan and schedules for the Company and its affiliates.
- Changes in important accounting principles and the application thereof in both interim and annual financial reports.
- Significant conflicts of interest and related-party transactions.
- Performance of and changes in external auditors.
- Performance of and changes in the chief risk officer and the chief internal auditor and changes in internal audit leadership and/or key financial management.

The Committee shall 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 the Company regarding questionable accounting or auditing matters.

Adopted by the Board of Directors of First Financial Bancorp on January 24, 2006.

audit and risk management committee charter2006