



Revised November 2024

AUDIT COMMITTEE CHARTER

I. PURPOSE

1. The purpose of the Audit Committee (“Committee”) of the Board of Directors (“Board”) of Avista Corporation (the “Company”) is to assist the Board in:
 - Overseeing the integrity of the financial statements of the Company
 - Overseeing the Company’s compliance with legal and regulatory requirements
 - Overseeing the independence and qualifications of the Company’s independent auditor
 - Overseeing the performance of the Company’s internal audit function and independent auditor
 - Overseeing the Company’s systems of disclosure controls and procedures
 - Overseeing the Company’s internal controls over financial reporting
 - Overseeing the Company’s compliance with ethical standards adopted by the Company
2. The Committee should encourage continuous improvement and should foster adherence to the Company’s policies, procedures, and practices at all levels. The Committee should also provide an open avenue of communication among the independent auditor, financial and senior management, the internal audit function, and the Board.

II. COMPOSITION

3. The Committee shall be comprised of three or more independent directors as determined by the Board. Members of the Committee will be appointed to, and removed from, the Committee by the Board, and the Chair of the Committee will be appointed by the Board.
4. Each Committee member will meet the independence and expertise requirements for audit committees imposed by the listing standards of the New York Stock Exchange (“NYSE”) or other national securities exchanges as applicable, and Section 10A of the Exchange Act and any applicable rules of the Securities and Exchange Commission (“SEC”).

5. All members of the Committee must comply with all financial literacy requirements of the securities exchanges on which the Company is listed and at least one member of the Committee will qualify as an “audit committee financial expert” as defined by the SEC and other relevant regulations. The existence of such member(s) will be disclosed in periodic filings as required by the SEC.

III. MEETINGS AND PROCEDURES

6. The Committee will meet at least four times annually, or more frequently as circumstances dictate.
7. As part of its goal to foster open communication, the Committee will periodically meet separately with each of management, the Director of Internal Audit, and the independent auditor to discuss any matters that the Committee or each of these groups believe should be discussed privately.
8. The Committee will meet quarterly with the independent auditor and management to discuss the annual audited financial statements and quarterly financial statements, including the Company’s disclosure under “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”
9. The Committee may meet privately with the chief legal officer and the personnel responsible for the ethics and compliance programs, as necessary.
10. For purposes of taking action, a majority of the members, but not less than two, will constitute a quorum. A majority of the members at any meeting at which a quorum is present may act on behalf of the Committee.
11. The Committee may meet by telephone, video conference, or other similar electronic communication technology and may take action by unanimous written consent.
12. The Committee will perform a self-assessment, at least annually, relative to the Audit Committee’s purpose, duties, and responsibilities outlined herein; review and assess this Charter; and submit to the Governance and Corporate Responsibility Committee any recommended changes for review by the Governance and Corporate Responsibility Committee. After such review by the Governance & Corporate Responsibility Committee, the Committee will recommend any changes to this Charter to the full board.
13. The Committee will determine whether a director’s simultaneous service on multiple audit committees will impair the ability of such member to serve on the Audit Committee.

IV. RESPONSIBILITIES AND DUTIES

The Committee will report regularly to the Board regarding the execution of its duties and responsibilities, any issues encountered, and related recommendations. The Committee is charged by the Board with the responsibility to:

Financial Reporting and Disclosure Matters

14. Meet with management and the independent auditor, together and separately, to review and discuss the Company's annual 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 all internal control reports (or summaries thereof), prior to their respective release. Review other relevant reports or financial information submitted by the Company to any governmental body or the public, including management certifications and internal control assessment reports required by the Sarbanes-Oxley Act of 2002 (Sections 302, 404, and 906) and relevant reports rendered by the independent auditors (or summaries thereof).
15. Recommend to the Board whether the audited financial statements should be approved for presentation in the Annual Report on Form 10-K prior to its filing. Review with management and the independent auditor the Quarterly Reports on Form 10-Q prior to filing. Review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements.
16. In connection with the annual audit and reviews of the quarterly financial information by the independent auditor, discuss with the independent auditor the matters required to be discussed by Auditing Standard No. 16; review with the independent auditor any problems or difficulties and management's response; review management's internal control report and the independent auditor's attestation and report thereon; and hold timely discussions with the independent auditor regarding the following:
 - Critical accounting policies and practices
 - Alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor
 - Other material written communications between the independent auditor and management including, but not limited to, the management letter and schedule of unadjusted differences
 - An analysis of the independent auditor's judgment as to the quality of the Company's accounting principles, setting forth significant reporting issues and judgments made in connection with the preparation of the financial statements
17. Review with management and the independent auditor issues regarding accounting principles, fraud, and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, issues as to the adequacy of the Company's internal controls, and any special audit steps adopted in light of material control deficiencies.

18. Review analyses prepared by management (and the independent auditor as noted in item 16 above) setting forth 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 and analysis of off-balance sheet structures.
19. Review with management the effect of regulatory and accounting initiatives on the financial statements of the Company.
20. Have such direct and independent interaction with members of management, including the Chief Financial Officer and the Principal Accounting Officer, as the Committee believes appropriate.
21. Ensure that management has a proper review system in place to ensure that the Company's financial statements, reports, and other financial information disseminated to governmental organizations and the public satisfy legal requirements.
22. Present to the Board the Committee's conclusions with respect to the qualifications, performance, and independence of the independent auditor.
23. Review, with the Company's counsel, any legal or regulatory matter that could have a significant impact on the Company's financial statements.
24. Review earnings press releases with management, including review of any "pro-forma" or "adjusted" non-GAAP information.
25. Discuss with management financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be on general terms (i.e., discussion of the types of information to be disclosed and the type of presentation to be made).
26. Prepare the Audit Committee Report required by the SEC to be included in the Company's annual Proxy Statement.

Internal Controls

27. In consultation with the independent auditor and the internal audit function, review the integrity of the Company's (i) internal accounting controls, established and maintained pursuant to Section 13(b)(2) of the Exchange Act; (ii) disclosure controls and procedures, established and maintained pursuant to Rule 13a-15 under the Exchange Act; and (iii) internal control over financial reporting, established and maintained pursuant to Rule 13a-15 under the Exchange Act. The Committee should receive a report from management on any matters of concern arising from the quarterly internal control and disclosure control processes and procedures in connection with the preparation of reports filed with the Exchange Act. Further, the Committee should receive and review Management's Report on Internal Control Over Financial Reporting and the Auditor's Report on the Effectiveness of Internal Control.

28. Review with the independent auditor, the internal audit function, and management the implementation of previously reviewed changes or improvements in significant financial or accounting practices. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.
29. Review the Company's material financial and accounting risk exposures and the steps management has undertaken to control them.
30. Periodically review reliance on and internal controls for information technology and information systems related to accounting, financial assets, and financial reporting.

Independent Auditor Oversight

31. Appoint, compensate, retain, terminate, and oversee the independent auditor, and evaluate the work performed by the independent auditor for the purpose of preparing or issuing an audit report or related work. The independent auditor will report directly to the Committee, and the Committee will oversee the resolution of disagreements between management and the independent auditor regarding financial reporting.
32. Review and pre-approve, in accordance with Sections 10A(h) and (i) of the Exchange Act, the Regulations and the Accounting Standards of the Public Company Accounting Oversight Board ("PCAOB"), all professional services to be provided to the Company by the independent auditor, provided that the Committee will not approve any non-audit services proscribed by Section 10A(g) of the Exchange Act in the absence of an applicable exemption. This duty may be delegated to one or more designated members of the Committee with any such pre-approval reported to the full Committee at its next scheduled meeting. The Committee will consider whether the auditor's performance of permissible non-audit services could impact the auditor's independence.
33. At least annually, review the qualifications, performance, and independence of the independent auditor. The evaluation should include the review and evaluation of the lead partner of the independent auditor. The Committee will obtain and review a report by the independent auditor regarding:
 - The firm's internal quality-control procedures
 - Any material issues raised by the most recent internal quality-control review or peer review of the independent auditor, or by any inquiry or investigation by the PCAOB or other governmental or professional authorities within the preceding five years respecting independent audits carried out by the independent auditor, and any steps taken to deal with any such issues
 - All relationships between the independent auditor and the Company
 - All disclosed relationships or services that may impact the objectivity and independence of the independent auditor
34. Review the Company's policy for the hiring of employees or former employees of the independent auditor, as needed.

Internal Audit Oversight

35. Review and approve the selection, appointment, evaluation, compensation, and retention of the Director of Internal Audit, who will have direct access to the Committee.
36. Review and approve, on an annual basis, the internal audit function's charter and risk-based plan.
37. Periodically review the internal audit function's activities, organizational structure, and staffing with the Director of Internal Audit, and approve significant changes to the risk-based plan.
38. Review and approve the internal audit function's budget and resources necessary to achieve annual audit plan objectives.
39. Review the results of internal and external quality assessments.
40. Review with the Director of Internal Audit any significant audit issues, resource limitations, difficulties, disagreements with management, or scope restrictions encountered in the course of the internal audit function's work.

Ethics, Compliance, Legal, and Regulatory Oversight

41. Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding its accounting, internal control, or auditing matters and for the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters or alleged fraud.
42. Establish procedures for the receipt, retention, and treatment of complaints from attorneys in accordance with the "Attorney Up The Ladder Reporting Policy".
43. Ensure that the Company has a Code of Conduct ("Code") that complies with all applicable rules and regulations, and that management has established a system to enforce and monitor the Code.
44. Review and grant, when appropriate, any request by an officer of the Company or any Board member for a waiver of a conflict of interest pursuant to the Company's Code. Any waiver of conflicts will be disclosed to shareholders.
45. Review compliance matters with the Company's Chief Compliance Officer.

46. Receive periodic reports from the General Counsel on all significant litigation and investigations, and updates on these matters as warranted by circumstances.

Enterprise Risk Management

47. Periodically review and discuss policies and practices with respect to risk assessment and risk management, including addressing key risks to the Company.

Other

48. The Committee will perform any other activities consistent with this Charter, the Company's Bylaws, and governing law, as the Committee or Board deems necessary or appropriate.

V. RESOURCES AND AUTHORITY

49. The Committee has the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal, accounting, or other advisors when necessary to perform its duties and responsibilities.

50. The Company will provide appropriate funding, as determined by the Committee, for compensation to the independent auditor and to any advisers that the Committee chooses to engage, and for ordinary administrative expenses of the Committee that are necessary in carrying out its duties.