



CHARTER OF THE
AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS OF
FACEBOOK, INC.

Effective as of May 17, 2012

I. PURPOSE

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Facebook, Inc. (the “**Company**”) shall be to oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company, and the independence, qualifications and performance of the independent auditor. The Committee has an oversight role and in fulfilling that role it relies on the reviews and reports noted below.

This charter (the “**Charter**”) sets forth the authority and responsibilities of the Committee in fulfilling the purposes described herein. In fulfilling its responsibilities, it is recognized that members of the Committee are not full-time employees of the Company and are not, and do not represent themselves to be, professional accountants or auditors. The functions of the Committee are not intended to duplicate or substitute for the activities of management and the independent auditor, and the Committee members cannot provide any expert or special assurance as to the Company’s financial statements, internal controls or management of risk or any professional certifications as to the work of the independent auditor.

While the 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 are complete, accurate and in accordance with generally accepted accounting principles in the United States. Each member of the Committee shall be entitled to rely on (a) the integrity of those persons and organizations within and outside of the Company from which it receives information, (b) the accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board), and (c) representations made by management as to any audit and non-audit services provided by the independent auditor.

While this Charter should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company’s Certificate of Incorporation and Bylaws, it is not intended to establish by its own force any legally binding obligations.

II. MEMBERSHIP

The Committee will consist of three or more members of the Board, with the exact number determined by the Board. Each member of the Committee will:

- be an “independent director” as defined under the applicable rules, regulations and listing requirements of the stock exchange upon which the Company’s securities are listed for trading (the “**Exchange Rules**”), except as may otherwise be permitted by the Exchange Rules;
- be “independent” as defined in Section 10A(m) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) and Rule 10A-3 and any other rules and regulations promulgated by the Securities and Exchange Commission (the “**Commission**”) under the Exchange Act (the “**Commission Rules**”), except as may otherwise be permitted by such Commission Rules;



- not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years;
- have the ability to read and understand fundamental financial statements;
- be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member; and
- meet any other requirements imposed by applicable law, regulations or rules, subject to any applicable exemptions and transition provisions.

All members of the Committee will have sufficient accounting or financial experience and ability to enable them to discharge their responsibilities, and at least one member will be an “audit committee financial expert” within the meaning of the Commission Rules.

All members of the Committee will be appointed by, and will serve at the discretion of, the Board. The Board may appoint a member of the Committee to serve as the chairperson of the Committee (the “**Chair**”); if the Board does not appoint a Chair, the Committee members may designate a Chair by their majority vote. The Chair will set the agenda for Committee meetings and conduct the proceedings of those meetings.

III. RESPONSIBILITIES AND DUTIES

The principal responsibilities and duties of the Committee in serving the purposes outlined in Section I of this Charter are set forth below. These duties are set forth as a guide with the understanding that the Committee will carry them out in a manner that is appropriate given the Company’s needs and circumstance. The Committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities.

A. Independent Auditors

1. *Appointment and Oversight of Independent Auditors.* The Committee will appoint the independent auditor to examine the Company’s accounts, controls and financial statements. The Committee has sole responsibility for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged (including resolution of disagreements between the Company’s management and the firm regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and the independent auditor and each such registered public accounting firm will report directly to the Committee.
2. *Auditor Independence and Qualifications*
 - a. The Committee is responsible for assessing the independent auditor’s qualifications, performance and independence annually. In connection with this assessment, the Committee will make sure it reviews, on an annual basis, all relationships between the independent auditor and the Company, including those described in the formal written statement that the Committee obtains annually from the independent auditor under applicable requirements of the Public Company Accounting Oversight Board (the “**PCAOB**”).



- b. Obtain and review an annual report from the independent auditors describing (i) the independent auditors' internal quality control procedures and (ii) any material issues raised by any recent internal quality control review, peer review, or PCAOB review, of the independent auditors, and steps taken to deal with any such issues.

3. *Approval of Audit and Non-Audit Services*

- a. The Committee will review the independent auditor's audit planning, scope and staffing.
- b. The Committee will pre-approve all audit and non-audit related services provided to the Company by the independent auditor. The Committee may establish pre-approval policies and procedures, as permitted by the Exchange Rules, the Commission Rules and applicable law.

4. *Interaction with Independent Auditor*

- a. The Committee will obtain, at least annually, required reports from the independent auditor, including (i) such firm's internal quality control procedures, (ii) 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, and (iii) any steps taken to deal with any such issues. In addition, the Committee will review and, to the extent warranted, discuss with the independent auditor such reports and any other matters required to be reviewed under applicable legal or regulatory requirements or Exchange Rules.
- b. The Committee will periodically consult with the independent auditor out of the presence of the Company's management about the Company's internal controls, the fullness and accuracy of the Company's financial statements, any audit problems or difficulties and management's response, and any other matters that the Committee or independent auditor believes should be discussed privately with the Committee.
- c. The Committee will review and concur with the Company's hiring of employees of the independent auditor who were engaged on the Company's account or otherwise, as required by applicable legal or regulatory requirements or Exchange Rules.

B. Financial Statements and Disclosures

1. *Financial Statements and Disclosures*

- a. The Committee will meet to review and discuss with the independent auditor and the Company's management the Company's quarterly financial statements and annual audited financial statements, including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."



- b. The Committee will be responsible for recommending to the Board whether the annual audited financial statements should be included in the Company's annual report on Form 10-K.
 - c. The Committee will cause to be prepared and review a report to the Company's stockholders for inclusion in the Company's proxy statement as required by the Commission Rules.
 - d. The Committee will discuss with the independent auditors and the Company's management any items appropriate or required to be discussed in accordance with applicable PCAOB standards in connection with the preparation of financial statements of the Company.
2. *Earnings Announcements and Other Financial Information.* The Committee will discuss generally with the Company's management and the independent auditor, as appropriate, the type of information to be disclosed and type of presentation to be made regarding the Company's earnings press releases and other financial information released to analysts and rating agencies.
 3. *On-going Reviews.* In connection with the foregoing, the Committee will review the Company's financial reporting and accounting standards and principles, significant changes in such standards or principles or in their application and the key accounting decisions affecting the Company's financial statements.

C. Internal Audit Function

1. *Oversight.* The Committee will oversee the activities of the Company's internal audit function, including review of any process of appointment and/or replacement of the senior employee in charge of the internal audit function.
2. *Separate Meeting with Internal Audit Function.* The Committee will periodically meet separately with the internal audit function out of the presence of the Company's management. The Committee will review any significant reports to the Company's management prepared by the internal audit function and management's responses.

D. Controls and Procedures

1. *Review of Processes, Systems, Controls and Procedures.* The Committee will review and discuss with the independent auditor and the Company's management their periodic reviews of the Company's accounting and financial reporting processes, systems of internal control (including any significant deficiencies and material weaknesses identified in their design or operation), and disclosure controls and procedures (and management's reports thereon).
2. *Legal and Compliance Matters.* Review with management, at least annually, (i) the Company's program for promoting and monitoring compliance with applicable legal and regulatory requirements, and (ii) the Company's major legal compliance risk exposures and the steps management has taken to monitor or mitigate such exposures, including the Company's procedures



and any related policies with respect to risk assessment and risk management.

3. *Other Risk Assessment and Risk Management.* The Committee will discuss with the Company's management the Company's major financial risk and enterprise exposures and the steps management has taken to monitor and control such exposures, including the Company's procedures and any related policies with respect to risk assessment and risk management.
4. *Whistleblower Procedures.* The Committee is responsible for establishing and overseeing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and for the confidential anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

E. General

1. *Related Party Transactions.* The Committee will review and approve, in accordance with the Company's Related Party Transactions Policy, any proposed transaction between the Company and any related party, as defined by applicable law, the Commission Rules, and the Exchange Rules.
2. *Ethics Waivers.* The Committee will consider requested waivers of the Code of Business Conduct and Ethics involving a member of the Governance Committee and retain authority to grant any such waivers.
3. *Legal and Regulatory Oversight.* The Committee will periodically review with the Company's management the status of any legal or regulatory matters that could have a significant impact on the Company's financial statements.
4. *Other Activities.* The Committee will perform any other activities required by applicable law, rules or regulations, including the Commission Rules and Exchange Rules, and take such other actions and perform and carry out any other responsibilities and duties delegated to it by the Board or as the Committee deems necessary or appropriate consistent with its purpose.

IV. STUDIES AND ADVISERS

The Committee, in discharging its responsibilities, may conduct, direct, supervise or authorize studies of, or investigations into, any matter that the Committee deems appropriate, with full and unrestricted access to all books, records, documents, facilities and personnel of the Company. The Committee has the sole authority and right, at the expense of the Company, to retain legal and other consultants, accountants, experts and advisers of its choice to assist the Committee in connection with its functions, including any studies or investigations. The Committee will have the sole authority to approve the fees and other retention terms of such advisers. The Company will provide for appropriate funding, as determined by the Committee, for:

- payment of compensation to any legal and other consultants, accountants, experts and advisers retained by the Committee; and
- ordinary administrative expenses of the Committee that are necessary and appropriate in carrying out its functions.



V. MEETINGS, ACTIONS WITHOUT A MEETING AND STAFF

Meetings of the Committee shall be held at least once each quarter or more frequently, as determined appropriate by the Committee. The Chair, in consultation with the other members of the Committee, will set the dates, times and places of such meetings. The Chair or any other member of the Committee may call meetings of the Committee by notice in accordance with the Company's Bylaws. The Committee will report to the Board from time to time with respect to the activities of the Committee. A quorum of the Committee for the transaction of business will be a majority of its members. Meetings may be held via tele- or video-conference. The Committee may also act by unanimous written consent in lieu of a meeting in accordance with the Company's Bylaws. Subject to the requirements of this Charter, the Exchange Rules, the Commission Rules and applicable law, the Committee and the Chair may invite any director, executive or employee of the Company, or such other person, as it deems appropriate in order to carry out its responsibilities, to attend and participate (in a non-voting capacity) in all or a portion of any Committee meeting. The Committee may exclude from all or a portion of its meetings any person it deems appropriate in order to carry out its responsibilities. The Chair will designate a Secretary for each meeting, who need not be a member of the Committee. The Secretary of the Company shall provide the Committee such staff support as it may require.

VI. MINUTES

The Committee will maintain written minutes of its meetings and copies of its actions by written consent, and will cause such minutes and copies of written consents to be filed with the minutes of the meetings of the Board.

VII. COMPENSATION

Members of the Committee will receive such fees or other compensation, if any, for their service as Committee members as may be determined by the Board, which may include additional compensation for the Chair. Such fees may include retainers or per meeting fees and will be paid in such form of consideration as is determined by the Board in accordance with applicable law, the Exchange Rules and the Commission Rules.

VIII. REVIEW OF COMMITTEE COMPOSITION, PERFORMANCE AND CHARTER

The Committee will evaluate the Committee's composition and performance on an annual basis. The Committee will review and reassess the adequacy of this Charter periodically, and recommend to the Board any changes the Committee determines are appropriate.