

## Audit Committee Charter

(Amended April 2016)

### I. PURPOSE

The Audit Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Medidata Solutions, Inc. (the "Company") to oversee the accounting and financial reporting processes of the Company and the audits of the Company's financial statements. In that regard, the Committee assists the Board in monitoring (1) the integrity of the financial statements of the Company, (2) the independent auditors' qualifications and independence, (3) the performance of the Company's internal audit function and independent auditors, and (4) the compliance by the Company with legal and regulatory requirements.

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

The Committee's responsibilities are limited to oversight. Management is responsible for the preparation, presentation, and integrity of the financial statements as well as the financial reporting process, accounting policies, internal audit function, internal accounting controls, and disclosure controls and procedures. The independent auditor is responsible for performing an audit of the annual financial statements, expressing an opinion as to the conformity of such statements with generally accepted accounting principles ("GAAP"), and reviewing the quarterly financial statements. It is not the responsibility of the Committee to plan or conduct audits or to determine that the financial statements and disclosure are complete and accurate in accordance with GAAP and appropriate laws, rules, and regulations. Each member of the Committee shall be entitled to rely on the integrity of those persons within the Company and of the professionals and experts from which the Committee receives information and, absent actual knowledge to the contrary, the accuracy of the financial statements and other information provided to the Committee by such persons, professionals, or experts.

### II. COMMITTEE MEMBERSHIP

The Committee shall consist of no fewer than three members. Each member of the Committee shall meet the independence and experience requirements of The Nasdaq Stock Market, Inc. Marketplace Rules and the Securities Exchange Act of 1934 (the "Exchange Act"), except as may otherwise be permitted by Nasdaq and Exchange Act rules. All members of the Committee shall be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement. No member of the Committee shall have participated in the preparation of the financial statements of the Company in the past three years. At least one member of the Committee shall be an "audit committee financial expert" as defined by the SEC. In addition, if a Committee member ceases to be independent for reasons outside the member's reasonable control, his or her membership on the Committee may continue until the earlier of the Company's next annual stockholders' meeting or one year from the occurrence of the event that caused the failure to qualify as independent. If the Company is not already relying on this provision, and falls out of compliance with the requirements regarding audit committee composition due to a single vacancy on the Committee, then the Company will have until the earlier of the next annual stockholders' meeting or one year from the occurrence of the event that caused the failure to comply with this requirement. The Company shall provide notice to Nasdaq immediately upon learning of the event or circumstance that caused the non-compliance, if it expects to rely on either of these provisions for a cure period.

The members of the Committee, including the Chair of the Committee, shall be appointed and may be replaced by the Board.

### III. MEETINGS AND PROCEDURES

The Chair (or in his or her absence, a member designated by the Chair) shall preside at each meeting of the Committee and set the agenda for each Committee meeting, which may be done in consultation with the Chief Financial Officer of the Company. The Committee shall meet as often as it determines necessary but not less frequently than quarterly. The Committee shall meet periodically in separate executive sessions with management, the internal auditors, if applicable, and the independent auditor, and have such other direct and independent interaction with such persons from time to time as the members of the Committee deem appropriate. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Notwithstanding the foregoing, the Committee may also exclude from its meetings any persons it deems appropriate, including, but not limited to, any member of management or non-management director who is not a member of the Committee.

## **IV. GENERAL DUTIES AND POWERS**

The Committee shall be solely and directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditors (including resolution of disagreements between management and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditors shall report directly to the Committee.

The Committee shall pre-approve all auditing services, internal control-related services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the de minimis exception for non-audit services that are approved by the Committee prior to the completion of the audit. The Committee may form and delegate authority 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 such subcommittee to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting.

The Committee shall have the authority, to the extent it deems necessary or appropriate, to engage and determine funding for independent legal, accounting or other advisors. The Committee, in its discretion, may also use the services of the Company's regular outside legal counsel, special counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attest services for the Company and to any advisors employed by the Committee, as well as funding for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may conduct or authorize investigations into any matters within the scope of the powers and responsibilities delegated to the Committee.

The Committee, through its Chair, shall report regularly to, and review with, the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditor, the performance of the Company's internal audit function or any other matter the Committee determines is necessary or advisable to report to the Board.

## **V. 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.

**The Committee will:**

### **FINANCIAL STATEMENT AND DISCLOSURE MATTERS**

1. Review and discuss with management and the independent auditor 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 auditor the Company's quarterly financial statements prior to the filing of its Form 10-Q, including the results of the independent auditor's review of the quarterly financial statements.
3. Discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's annual and quarterly financial statements, including critical accounting policies and procedures followed, 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, and the adequacy of disclosures about changes in internal control over financial reporting.
4. Review and discuss with management (including the senior internal auditor) and the independent auditor the Company's internal controls report and the independent auditor's attestation of the report prior to the filing of the

Company's Form 10-K.

5. Review and discuss quarterly reports from the independent auditors on:
  - i All critical accounting policies and practices to be used;
  - i 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 auditor; and
  - i other material written communications between the independent auditor and management, such as management letters.
6. Review and discuss with management and the independent auditor the Company's earnings press releases, with particular focus on any use of "pro forma" or "adjusted" non-GAAP information.
7. Discuss on a general basis the type of information to be disclosed and type of presentation to be made regarding financial information and earnings guidance to analysts and rating agencies.
8. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives, as well as any off-balance sheet structures on the Company's financial statements, if any.
9. Review the Company's enterprise risk management program, including risks and exposures associated with financial matters (particularly financial reporting, tax, accounting, disclosure, internal control over financial reporting, financial policies, investment guidelines and credit and liquidity matters) and cyber risks, and the steps management has taken to monitor and control such exposures.
10. Discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the independent auditor under generally accepted accounting standards, including any significant disagreements with management.
11. Review disclosures made to the 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.

#### **RELATED PARTY TRANSACTIONS AND RELATED PARTY INFORMATION**

12. Review and approve all related party transactions and disclosure thereof, as appropriate, in the financial statements.
13. Keep the independent auditor informed of the Committee's understanding of the Company's relationships and transactions with related parties that are significant to the Company; and to review and discuss with the independent auditor the auditor's evaluation of the Company's identification of, accounting for, and disclosure of its relationships and transactions with related parties, including any significant matters arising from the audit regarding the Company's relationships and transactions with related parties.

#### **OVERSIGHT OF THE COMPANY'S RELATIONSHIP WITH THE INDEPENDENT AUDITOR**

14. Be directly responsible for the selection, compensation, retention and oversight of the work of the independent auditors. Recommend to the Board the appointment or discharge of the independent auditors.
15. Assess the continuing independence of the Company's independent auditors, including obtaining and reviewing, on an annual basis, a letter from the independent auditors describing all relationships between the independent auditors and the Company required to be disclosed under applicable accounting rules.
16. Approve the fees and other compensation to be paid to the independent auditors, and pre-approve all audit and non-audit related services of independent auditors permitted by Nasdaq, the SEC, the Exchange Act and applicable law. The Committee may establish pre-approval policies and procedures for the engagement of independent auditors to render services to the Company.

17. Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditor'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 and (c) any steps taken to deal with any such issues. Evaluate the qualifications, performance and independence of the independent auditor, 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.
18. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by the SEC.
19. Approve the Company's hiring of employees or former employees of the independent auditor.
20. Meet with the independent auditor prior to the audit to review the scope, planning, and staffing of the audit.

#### **OVERSIGHT OF THE COMPANY'S INTERNAL AUDIT FUNCTION**

21. Review the appointment and replacement of the senior internal auditor.
22. Review the significant reports to management prepared by the internal auditing department and management's responses.
23. Discuss with the independent auditor and management the internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.

#### **COMPLIANCE OVERSIGHT RESPONSIBILITIES**

24. Obtain from the independent auditor assurance that Section 10A(b) of the Exchange Act, which relates to the reporting of illegal acts, has not been implicated.
25. Obtain reports from management and the Company's internal auditor that the Company and its subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company's Code of Business Conduct and Ethics. Review with the independent auditor any issues concerning compliance with the Company's Code of Business Conduct and Ethics that the independent auditor identified during the course of its services.
26. Review and discuss with the independent auditors and management their periodic reviews of the adequacy of the Company's accounting and financial reporting processes and systems of internal control, including any significant deficiencies and material weaknesses in their design or operation.
27. Establish 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 concerns regarding questionable accounting or auditing matters.
28. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.
29. Discuss with the Company's legal counsel legal matters that could be reasonably be expected to have a material impact on the financial statements or the Company's compliance policies.

### **VI. PERFORMANCE EVALUATION**

The Committee shall produce and provide to the Board on an annual basis a performance evaluation of the Committee's performance of its duties under this charter. The evaluation shall also include any recommendations to improve the charter of the Committee. The performance evaluation shall be conducted in such a manner as the Committee deems appropriate. Any member of the Committee may present the evaluation to the Board either orally or in writing.