

# INFOSPACE, INC.

## AUDIT COMMITTEE CHARTER

Adopted April 21, 2000  
Amended October 21, 2002  
Amended March 15, 2004

### **Organization**

There shall be a committee of the board of directors to be known as the audit committee. The membership of the committee shall consist of at least three independent directors who are generally knowledgeable in financial and auditing matters and are able to read and understand fundamental financial statements, in accordance with the NASDAQ National Market Audit Committee requirements.

The audit committee shall be comprised solely of independent directors, as defined in (i) NASDAQ Rule 4200 and (ii) the rules of the SEC, who are free of any relationships that, in the opinion of the board of directors, would interfere with their exercise of independent judgment as a committee member.

The audit committee shall have at least one member who is, in the judgment of the board of directors, “an audit committee financial expert” pursuant to the rules and regulations of the SEC. To be an audit committee financial expert, the committee member must meet the requirements set forth on Exhibit A hereto.

The board of directors shall appoint one member of the audit committee as chairperson. The chairperson shall be responsible for leadership of the committee, presiding over the committee meetings, and reporting to the full board of directors.

The audit committee will meet at least four (4) times each calendar year, prior to the quarterly earnings release. Meeting minutes will be maintained for these meetings.

The audit committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, provided that decisions of such subcommittee shall be presented to the full audit committee at its next scheduled meeting.

### **Statement of Policy**

The audit committee of the board of directors assists the full board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing and reporting practices of the corporation and other such duties as directed by the board. The independent auditors are ultimately accountable to the board of directors and the audit committee, as representatives of shareholders, and the audit committee has ultimate authority and responsibility to select, evaluate, and, where appropriate, replace the independent auditors. It is the responsibility of the audit committee to maintain free and open means of communication between the directors, the independent auditors, and the financial management of the corporation. In discharging this oversight role, the committee is empowered to investigate any matter brought to its attention within the scope of its duties, with full power to retain outside counsel or other experts (at the expense of the company) for this purpose if, in its judgment, that is appropriate.

### **Responsibilities**

The audit committee’s primary responsibilities include:

- Appointment, compensation, oversight and retention of the company's independent auditors for the purpose of preparing and issuing an audit report or related work.
- The audit committee will review and sign the engagement letter with the independent auditors. In so doing, the committee will request from the auditors a written affirmation that the auditing firm is in fact independent and discuss with the auditors any relationship that may impact the auditor's independence.
- Meet with the independent auditors and the financial management of the company to review and pre-approve the scope of the proposed audit for the current year, and the audit services to be rendered, and at the conclusion thereof receiving and reviewing the audit reports, including any comments or recommendations of the independent auditors.
- Pre-approve all non-audit services to be performed by the independent auditors. Review at each regularly scheduled audit committee meeting a report summarizing the services, including fees, provided by the independent auditors.
- Meet with the independent auditors without members of management present. Among the items to be discussed in these meetings are the independent auditors' evaluation of the company's financial and accounting personnel, and the cooperation the independent auditors received during the course of the audit.
- Review, on a continuing basis, with the independent auditors and the financial and accounting personnel the adequacy and effectiveness of the accounting and financial controls of the company, and elicit any recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis should be given to the adequacy of such internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
- Discuss with management and the independent auditors the effect of regulatory and accounting initiatives on the company's financial statements.
- Review before filing the disclosure regarding the company's system of internal control over financial reporting required by the SEC to be contained in periodic filings and the attestations or reports by the auditors relating to such disclosure.
- Review the audited financial statements and discuss them with management and the independent auditors. These discussions shall include consideration of the quality of the company's accounting principles as applied in its financial reporting, including review of estimates, reserves and accruals, review of judgmental areas, review of audit adjustments whether or not recorded and such other inquiries as may be appropriate.
- Review the financial statements contained in the annual report to shareholders and in the Form 10-K with management and the independent auditors to determine that the independent auditors are satisfied with the disclosure and content of the financial statements to be presented to the shareholders and Form 10-K to be filed with the SEC.
- Provide a report in the company's proxy statement in accordance with the rules and regulations of the SEC.

- Review with management and the independent auditors the quarterly financial information and press release prior to the company's filing of Form 10-Q and quarterly earnings announcement.
- Direct the independent auditors to review such interim financial statements using professional standards and procedures for conducting such reviews.
- Discuss with management and external counsel the status of pending litigation, taxation matters and other areas of oversight to the legal and compliance areas as may be appropriate.
- Discuss with management the company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- Meet separately with the company's CEO and separately with the CFO as appropriate.
- Review the required reports from the independent auditors to the audit committee describing the following:
  - Critical accounting policies and practices used by the company;
  - All alternative treatments of financial information within GAAP that have been discussed with management and the ramifications of these alternative treatments, as well as the treatment preferred by the auditors, and;
  - Material written communications between the auditor and management and between external counsel and management.
- Oversee compliance with the requirements of the SEC for disclosure of auditor's services and audit committee members, member qualifications and activities.
- Review proposed related party transactions for potential conflicts of interest and approve all such transactions in advance.
- Establish procedures for receiving and reviewing accounting-related complaints and concerns by whistle blowers.
- Review, approve and monitor the company's code of ethics for senior financial personnel.
- Review the audit committee's own structure, processes and membership requirements and overseeing compliance with the requirements of the SEC for disclosure of audit committee members, member qualifications and activities.

In addition to the responsibilities outlined in this charter, the audit committee shall perform such other specific functions as the company's board of directors may from time to time direct.

While the audit committee has the responsibilities and powers set forth in this charter, the company's financial statements are the responsibility of management and the independent auditors are responsible for planning and conducting audits to determine whether the company's consolidated financial statements present fairly in all material respects the financial position of the company.

## **Exhibit A**

### ***Audit Committee Financial Expert Qualifications***

#### ***Pursuant to Item 401(h) of SEC Regulation S-K***

An audit committee financial expert means a person who has the following attributes:

- (i) An understanding of generally accepted accounting principles and financial statements;
- (ii) The ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;
- (iii) Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements, or experience actively supervising one or more persons engaged in such activities;
- (iv) An understanding of internal controls and procedures for financial reporting; and
- (v) An understanding of audit committee functions.

A person shall have acquired such attributes through:

- (i) Education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions;
- (ii) Experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;
- (iii) Experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or
- (iv) Other relevant experience.