

**TENTH AMENDED AND RESTATED  
CHARTER FOR THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS  
OF MICROSTRATEGY INCORPORATED**

**Purpose**

The purpose of the Audit Committee of the Board of Directors of MicroStrategy Incorporated (the “Company”), is to review the accounting and financial reporting process of the Company and the audits, both internal and external, of its financial statements and the effectiveness of the Company’s controls over financial reporting. The Audit Committee will make such examinations as are necessary to monitor the accounting and financial reporting and the internal and external audits of the Company and its subsidiaries, to provide to the Board of Directors the results of its examinations and recommendations derived therefrom, to outline to the Board improvements made, or to be made, in internal accounting controls, to nominate independent registered public accounting firms (hereinafter, the “independent auditors”), and to provide to the Board such additional information and materials as it may deem necessary to make the Board aware of significant financial matters that require Board attention.

In addition, the Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribes.

**Membership**

The Audit Committee will consist of at least three (3) members of the Board, all of whom shall be independent, in accordance with applicable NASDAQ rules and Rule 10A-3(b) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (subject to the exemptions provided in Rule 10A-3(c)), and shall 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. The members of the Audit Committee will be appointed by and will serve at the discretion of the Board of Directors. The members of the Audit Committee shall each have the ability to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement. In addition, at least one member of the Audit Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. Unless otherwise determined by the Board of Directors (in which case disclosure of such determination shall be made in the Company’s annual report filed with the Securities Exchange Commission (“SEC”)), at least one member of the Audit Committee shall be an “audit committee financial expert” (as defined and required by applicable SEC rules).

The compensation of Audit Committee members shall be as determined by the Board of Directors (or a committee thereof other than the Audit Committee). No member of the Audit Committee may receive, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries other than fees paid in his or her capacity as a member of the Board of Directors or a committee of the Board.

**Responsibilities of the Audit Committee**

The Audit Committee shall assist the Board of Directors in fulfilling its responsibilities to shareholders concerning the Company’s accounting and financial reporting practices and audits of the Company’s financial statements, and shall facilitate open communication between the Audit Committee, Board of Directors, independent auditors, and management. The Audit Committee shall discharge its responsibilities, and shall assess the information provided by the Company’s management and the independent auditor, in accordance with its business judgment. The responsibilities set forth herein do not reflect or create any duty or obligation of the Audit Committee to plan, conduct, oversee or determine the appropriate scope of any audit, or to determine that the Company’s financial statements are complete, accurate, fairly presented, or in accordance with Generally Accepted Accounting Principles or applicable law, or to guarantee the independent auditor’s reports. In exercising its business judgment, the Audit Committee shall rely on the information and advice provided by the Company’s management and/or its independent auditor. Management is responsible for the preparation, presentation, and integrity of the Company’s financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company and for establishing and maintaining adequate internal control over financial reporting. The independent auditors are responsible for auditing the Company’s financial statements and the Company’s internal control over financial reporting and for reviewing the Company’s unaudited interim financial statements.

1. The Audit Committee shall review and reassess the adequacy of this Charter at least annually.
2. The independent auditor shall be accountable to the Audit Committee, which shall have the sole authority and responsibility to select, evaluate, and (where appropriate) replace the independent auditor. The Audit Committee may, in its discretion, seek stockholder ratification of the independent auditor it selects.
3. The Audit Committee shall have sole and direct responsibility for setting the compensation of the independent auditor. The Audit Committee is empowered, without further action by the Board of Directors, to cause the Company to pay the compensation of the independent auditor established by the Audit Committee.
4. The Audit Committee shall preapprove all audit services to be provided to the Company, whether provided by the independent auditor or other firms, and all other services (review, attest and non-audit) to be provided to the Company by the independent auditor; provided, however, that de minimis non-audit services may instead be approved in accordance with applicable SEC rules. In situations where such a preapproval is needed between regularly scheduled Audit Committee meetings, the Chairman of the Audit Committee shall have the authority to consider and, if appropriate, preapprove audit, review, attest and non-audit services. Any decision by the Chairman of the Audit Committee to preapprove audit, review, attest or non-audit services shall be presented to the full Audit Committee at its next scheduled meeting. The Audit Committee shall require the Company to make required disclosure in its SEC periodic reports relating to the approval by the Audit Committee of audit, review, attest and non-audit services to be performed by the independent auditor and the fees paid by the Company for such services.
5. The Audit Committee shall ensure that it receives and reviews from the independent auditor the written disclosures and letter from the independent auditor required by the Public Company Accounting Oversight Board (the "PCAOB") regarding the independent auditor's communications with Audit Committee concerning independence.
6. The Audit Committee shall discuss with the independent auditor its independence, and shall actively engage in a dialogue with the independent auditor regarding any disclosed relationships or services that might impact the objectivity and independence of the auditor. The Audit Committee shall take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the independent auditor.
7. The independent auditor shall report directly to the Audit Committee, and the Audit Committee shall have sole and direct responsibility for overseeing the independent auditor, including resolution of disagreements between Company management and the independent auditor regarding financial reporting. In connection with its oversight role, the Audit Committee shall, from time to time as appropriate, receive and consider the reports and other communications required to be made by the independent auditor regarding:
  - A. critical accounting policies and practices;
  - B. alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with Company management, including ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;
  - C. other material written communications between the independent auditor and Company management; and
  - D. any other matters addressed in the applicable auditing standards of the PCAOB (the "PCAOB Auditing Standards").
8. The Audit Committee shall discuss with the independent auditor the auditor's judgments about the quality, not just the acceptability, of the Company's accounting principles as applied to its financial reporting. The discussion shall include such issues as the clarity of the Company's financial disclosures and the degree of aggressiveness or conservatism of the Company's accounting principles and underlying estimates and other significant decisions made by management in preparing the financial disclosure.
9. The Audit Committee shall review and discuss with the Company's management the Company's audited financial statements.
10. The Audit Committee shall discuss with the independent auditor the Company's audited financial statements and the matters required to be discussed by the PCAOB Auditing Standards.

11. Based upon its discharge of its responsibilities pursuant to items five through ten above and any other information, discussion or communication that the Audit Committee in its business judgment deems relevant, the Audit Committee shall consider whether it will recommend to the Board of Directors that the Company's audited financial statements be included in the Company's annual reports on Forms 10-K.
12. The Audit Committee shall prepare for inclusion where necessary in a proxy or information statement of the Company relating to an annual meeting of security holders at which directors are to be elected (or special meeting or written consents in lieu of such meeting), the report described in Item 407(d) of Regulation S-K.
13. The Audit Committee shall annually inform the independent auditor, the Chief Financial Officer, the Controller, and the most senior other person, if any, responsible for the internal audit activities (the "Vice President of Internal Audit") that they should promptly contact the Audit Committee or its Chairman about any significant issue or disagreement concerning the Company's accounting practices or financial statements that is not resolved to their satisfaction. Where such communications are made to the Chairman, he or she shall confer with the independent auditor concerning any such communications, and shall notify the other members of the Audit Committee of any communications which the independent auditor or the Chairman in the exercise of his or her business judgment believes should be considered by the Audit Committee prior to its next scheduled meeting.
14. The Audit Committee shall direct the independent auditor to use its best efforts to perform all reviews of interim financial information prior to disclosure by the Company of such information, and to discuss promptly with the Chairman of the Audit Committee and the Chief Financial Officer any matters identified in connection with the auditor's review of interim financial information which are required to be discussed by applicable accounting rules and standards. The Chairman of the Audit Committee shall discuss any such matters with the independent auditor, and shall notify the other members of the Audit Committee of any discussions which the independent auditor or the Chairman in the exercise of his or her business judgment believes should be considered by the Audit Committee prior to disclosure or filing of the interim financial information, or the Audit Committee's next scheduled meeting.
15. The Audit Committee shall direct management to advise the Audit Committee in the event that the Company proposes to disclose or file interim financial information prior to completion of review by the independent auditor.
16. The Audit Committee shall coordinate the Board of Directors' oversight of the Company's internal control over financial reporting, the Company's disclosure controls and procedures and the Company's code of conduct. The Audit Committee shall receive and review the certifications of the Chief Executive Officer and Chief Financial Officer required by Rule 13a-14 under the Exchange Act.
17. The Audit Committee shall discuss the Company's policies with respect to risk assessment and risk management, including guidelines and policies to govern the process by which the Company's exposure to risk is handled.
18. The Audit Committee shall establish procedures for (i) the receipt, retention and treatment of complaints received by the Company or any of its subsidiaries regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company or any of its subsidiaries of concerns regarding questionable accounting or auditing matters.
19. The Audit Committee shall conduct appropriate review and oversight of all "Related Person Transactions" (as defined in the Company's Related Person Transaction Policy) that are required to be reported under Item 404 of Regulation S-K on an ongoing basis and all such transactions shall be approved or, if the Audit Committee deems appropriate, ratified by the Audit Committee in accordance with the Related Person Transactions Policy.
20. The Audit Committee shall meet privately at least once per year with: (i) the independent auditor; (ii) the Chief Financial Officer; and (iii) the Controller. The Audit Committee shall meet periodically with the Vice President of Internal Audit to discuss and evaluate the assessments by the Company's internal audit department of the Company's risk management processes and system of internal control over financial reporting.
21. The Audit Committee shall have the authority, without further action by the Board of Directors, to engage and determine funding for such independent legal, accounting and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Audit Committee is empowered, without further action by the Board of Directors, to cause the Company to pay the compensation of such advisors as established by the Audit Committee.

22. The Audit Committee is empowered, without further action by the Board of Directors, to cause the Company to pay the ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.
23. The Audit Committee shall review and reassess the adequacy of the Company's Code of Ethics for Designated Senior Financial Managers at least annually.
24. The Audit Committee shall take any actions that, in its sole discretion, it deems appropriate or necessary in order to assure the effectiveness, independence, and objectivity of the Company's internal audit department ("Internal Audit"). These actions include, but are not limited to:
  - A. annually reviewing and assessing (i) Internal Audit's assessments of the Company's risk management processes and system of internal control over financial reporting and (ii) Internal Audit's budget for the current fiscal year (and reviewing and assessing any changes to any of the items referenced in the foregoing clauses);
  - B. annually reviewing and approving Internal Audit's audit plan for the current fiscal year;
  - C. annually reviewing and reassessing the Internal Audit Department Charter, as amended;
  - D. periodically reviewing and, in consultation with the Company's management, assessing the overall progress and effectiveness of Internal Audit in meeting the goals and objectives set forth in the audit plan for the current fiscal year (including any subsequent revisions thereto);
  - E. periodically, but no less than once every five years, engaging a qualified independent assessor or assessment team to conduct an external assessment of Internal Audit in conformity with the applicable *International Standards for the Professional Practice of Internal Auditing* (and *Interpretations* thereof); and
  - F. reviewing and assessing management's decisions regarding the:
    - (i) appointment, dismissal, and replacement of the Vice President of Internal Audit,
    - (ii) annual evaluation of the performance of the Vice President of Internal Audit,
    - (iii) compensation of the Vice President of Internal Audit, and
    - (iv) recommendations of the Vice President of Internal Audit with respect to the hiring and compensation of other Internal Audit personnel.
25. Management shall timely inform the Chairman of the Audit Committee of the retirement, termination, or resignation of any Designated Senior Financial Manager (as defined in the Company's Code of Ethics). The Chairman of the Audit Committee may request an exit interview with such Designated Senior Financial Manager to be conducted by one or more members of the Audit Committee. The purpose of this interview is to invite the Designated Senior Financial Manager to share his or her concerns, criticisms and recommendations for improvement, as they relate to:
  - A. the design and implementation of the Company's financial accounting and reporting policies, practices, or procedures;
  - B. the effectiveness of the Company's system of internal controls over financial reporting;
  - C. the effectiveness of the Audit Committee; and
  - D. any other matters that relate to the responsibilities of the Audit Committee, as outlined in items 1 through 24 of this section entitled "Responsibilities of the Audit Committee".

### **Meetings**

The Audit Committee will meet at least four (4) times each year. The Audit Committee may establish its own schedule that it will provide to the Board of Directors in advance.

The Audit Committee will meet separately with the Chief Executive Officer and separately with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company. The Audit Committee will meet with the independent auditors of the Company, at such times as it deems appropriate, to review the independent auditor's examination and management report.

## **Reports**

The Audit Committee will record its summaries of recommendations to the Board in written form, which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

The Audit Committee shall report to the Board of Directors any development that the Audit Committee believes may have a potential adverse effect on the quality or integrity of the Company's financial statements and reports, on the performance and independence of the Company's independent auditors, or on the effectiveness of the Company's internal audit function.

Following the close of each fiscal year, the Chairman of the Audit Committee shall prepare, and the Audit Committee shall approve, a written report to the Board of Directors. This report shall summarize the activities of the Audit Committee in fulfilling its duties and responsibilities, as set forth in this Charter, with respect to the Company's immediately preceding fiscal year and through the date on which the Audit Committee formally submits its recommendation regarding the inclusion of the Company's audited financial statements for such fiscal year in the Company's annual report on Form 10-K with respect to such fiscal year.

## **Minutes**

The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

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This Charter was duly adopted and approved by the Board of Directors of MicroStrategy Incorporated by Action by the Sole Director on September 15, 1997. This Charter was duly amended by the Board of Directors by Written Action of Directors in Lieu of a Meeting dated July 3, 2000. This Charter was duly amended and restated by the Board of Directors by resolutions adopted on July 16, 2001. This Charter was duly amended and restated by the Board of Directors by resolutions adopted on April 24, 2003. This Charter was duly amended and restated by the Board of Directors by resolutions adopted on April 22, 2004. This Charter was duly amended and restated by the Board of Directors by resolutions adopted on April 26, 2005. This Charter was duly amended and restated by the Board of Directors by resolutions adopted on January 26, 2006. This Charter was duly amended and restated by the Board of Directors by resolutions adopted on January 22, 2007. This Charter was duly amended and restated by the Board of Directors by resolutions adopted on April 29, 2008. This Charter was duly amended and restated by the Board of Directors by resolutions adopted on April 28, 2009. This Charter was duly amended and restated by the Board of Directors by resolutions adopted on July 30, 2010. This Charter was duly amended and restated by the Board of Directors by resolutions adopted on April 25, 2013.