

Internet Brands, Inc.
Audit and Ethics Committee Charter

Purpose

The purpose of the Audit and Ethics Committee (the “Committee”) of Internet Brands, Inc. (the Company”) is to assist the Board of Directors (the “Board”) in fulfilling its responsibilities to oversee:

- The integrity of the Company’s financial statements and the financial and other information reporting processes of the Company;
- The Company’s compliance with legal and regulatory requirements;
- The independent auditor’s selection, qualifications, performance and independence;
- The Company’s system of internal controls;
- The Company’s Code of Ethics; and
- The Company’s audit and accounting processes generally.

The Committee shall also prepare the report required by the rules of Securities and Exchange Commission (the “Commission”) to be included in the Company’s annual proxy statement.

Organization

The Committee shall consist of at least three (3) members, each of who must:

- Be independent as determined by the Board within the meaning of applicable law and stock exchange listing standards and rules and any independence standards adopted by the Board;
- Satisfy all applicable financial literacy requirements contained in applicable stock exchange listing standards as determined by the Board; and
- Not have participated in the preparation of the financial statements of the Company or any of its current subsidiaries at any time during the past three fiscal years.

Further, at least one member of the Committee shall, in the judgment of the Board, be an “audit committee financial expert” (as such term is defined in the rules promulgated by the Commission) as determined by the Board.

The Committee shall annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval. The Committee shall annually

evaluate the Committee's own performance. The format of the self-assessment shall be determined by the Committee. The Committee shall make regular reports to the Board.

The Committee has the power to determine the level and cost of ordinary administrative expenses necessary or appropriate in carrying out its duties, with such costs to be borne by the Company.

The Board shall appoint the members of the Committee and designate one member to be its Chair. The members of the Committee shall be appointed annually by the Board and may be replaced or removed by the Board with or without cause. Resignation or removal of a Director from the Board, for whatever reason, shall automatically and without any further action constitute resignation or removal, as applicable, from the Committee. Any vacancy on the Committee, occurring for whatever reason, may be filled only by the Board. The Chair may be changed, from time to time by the Board.

Meetings

The Committee shall meet at least quarterly. The Committee shall meet periodically in separate executive sessions, including separate executive sessions with management, the internal auditors and the independent auditors 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 Company officer, employee, outside counsel, consultant, or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Compensation

A member of the Committee may not, other than in the member's capacity as a member of the Committee, the Board or any other committee established by the Board, receive directly or indirectly from the Company any consulting, advisory or other compensatory fee from the Company. A member of the Committee may receive additional director's fees to compensate such member for the significant time and effort expended by such member to fulfill his or her duties as a Committee member.

Advisors

The Committee has the power, in its sole discretion, to obtain advice and assistance from, and to retain at the Company's expense, such independent or outside legal counsel, accounting or other advisors and experts as it determines necessary or appropriate to carry out its duties, and in connection therewith to receive appropriate funding, determined by it, from the Company.

Delegation

The Committee may delegate any of its responsibilities that do not, under applicable law, rules, regulations or stock exchange listing standards, require approval of the Committee as a whole, to a subcommittee comprised of one or more members of the Committee or to one or more members of management.

Duties and Responsibilities

The Committee shall have the sole authority to appoint or replace the independent auditor. The Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including the resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work, or for performing other audit, review or attest services for the Company. The independent auditor shall report directly to the Committee.

The Committee shall pre-approve all auditing services, internal control-related services and permitted non-audit services to be performed for the Company by its independent auditor, subject to any exceptions under applicable laws or stock exchange listing standards. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor.

While the Committee has the duties and responsibilities 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 and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

The Committee, to the extent it deems necessary or appropriate, shall perform the duties and responsibilities set forth below. The Committee shall also carry out such other duties that may be delegated to it by the Board from time to time.

Financial Statements and Disclosure Matters

- *Annual Financial Statements.* The Committee shall review and discuss with management and the independent auditor the annual audited financial statements, including disclosure made in "Management's Discussion and Analysis," and recommend to the Board whether the audited financial statements should be included in the Company's applicable Commission filings.
- *Quarterly Financial Statements.* The Committee shall review and discuss with management and the independent auditor the Company's unaudited quarterly financial statements, including disclosures made in "Management's Discussion and Analysis," prior to the filing of its Form 10-Q, including the results of the independent auditor's review of the quarterly financial statements in accordance with applicable standards.
- *Financial Reporting Issues.* The Committee shall discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles.

- *Internal Controls.* The Committee shall review and discuss with management and the independent auditor any major issues as to the adequacy and effectiveness of the Company's internal controls and the Company's disclosure controls and procedures, including any significant deficiencies and significant changes in internal controls reported to the Committee by the independent auditor or management. The Committee shall also review and discuss with management and the independent auditor any special steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting.
- *Report on Internal Controls.* The Committee shall review and discuss with management 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.
- *Quarterly Report by Independent Auditor.* The Committee shall review and discuss quarterly reports from the independent auditors on:
 - All critical accounting policies and practices to be used;
 - 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
 - Other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- *Earnings Releases and Other Financial Information.* The Committee shall discuss the Company's earnings press releases with management prior to the issuance of such releases, including the use of "pro forma" or "adjusted" non-GAAP information in such releases. The Committee shall also discuss with management the financial information and earnings guidance to be provided externally, including to analysts and rating agencies. Such discussion may be done generally such as discussing the types of information to be disclosed and the type of presentations to be made.
- *Regulatory and Accounting Initiatives.* The Committee shall discuss with management and the independent auditor the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements.
- *Risk Management.* The Committee shall discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures and liabilities, including the Company's risk management policies.

- *Risk Assessment.* The Committee shall discuss with management the Company's major risk exposures and the systems management utilizes to assess, monitor and control such exposures through the enterprise, including the company's risk assessment policies.
- *SAS-61 Discussion.* The Committee shall discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61.
- *Certification Process.* The Committee shall review disclosure made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer 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.

Oversight of the Company's Relationship with the Independent Auditors

- *Lead Partner Evaluation.* The Committee shall review and evaluate the lead partner of the independent auditor team.
- *Independent Auditor Report.* The Committee shall obtain and review a report from the independent auditor at least annually regarding (a) all relationships between the independent auditor and the Company, consistent with Independence Standards No. 1, (b) the independent auditor's internal quality-control procedures, (c) any material issues raised by the most recent internal quality-control review, peer review or Public Company Accounting Oversight Board 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 (d) any steps taken to deal with such issues.
- *Evaluation of Independent Auditor.* The Committee shall 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, taking into account the opinions of management and internal auditors. The Committee shall present its conclusions with respect to the independent auditor to the Board.
- *Audit Partner Rotation.* The Committee shall ensure the rotation of the audit partners as required by law.
- *Hiring Policy.* The Committee shall approve policies for the Company's hiring of employees or former employees of the independent auditor.
- *Audit Problems.* The Committee shall review with the independent auditor any audit problems or difficulties and management's response.

- *National Officer Consultation.* The Committee shall discuss with the independent auditor material issues on which the national office of the independent auditor was consulted by the Company's audit team.
- *Audit Planning.* The Committee shall meet with the independent auditor prior to the audit to discuss the planned scope and staffing of the audit.

Other Oversight Responsibilities

- *Section 10A.* The Committee shall obtain from the independent auditor assurance that Section 10A(b) of the Securities Exchange Act has not been implicated.
- *Ethics Program.* The Committee shall review the Company's ethics program, including the Company's Code of Conduct and Ethics.
- *Complaint Procedures.* The Company shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- *Legal Review.* The Committee shall discuss with the Chief Legal Officer legal matters that may have a material impact on the financial statements or the Company's internal controls.
- *Investigations.* The Committee shall direct, when the Committee deems it necessary or appropriate, the Legal Department's or the independent auditors' or special counsels' investigation of special areas of concern relating to the matters covered by this Charter.
- *Related Party Transactions.* The Committee shall review and approve all related-party transactions that are required to be disclosed in the Company's periodic reports pursuant to Item 404 of Regulation S-K or in the notes to the Company's financial statements by generally accepted accounting principles.