

**CHARTER OF THE AUDIT COMMITTEE OF THE  
BOARD OF DIRECTORS OF  
FRESHWORKS INC.**

(Adopted August 5, 2021; Effective upon the effectiveness of the registration statement relating to the Company's initial public offering)

**PURPOSE**

The purpose of the Audit Committee (the "**Audit Committee**") of the Board of Directors (the "**Board**") of Freshworks Inc., a Delaware corporation ("**Freshworks**"), is to assist the Board in overseeing:

- Freshworks' accounting and financial reporting processes and internal controls as well as the audit and integrity of Freshworks' financial statements;
- the qualifications, independence and performance of Freshworks' independent auditor;
- the design and implementation of Freshworks' internal audit function, when applicable;
- Freshworks' compliance with applicable law (including U.S. federal securities laws and other legal and regulatory requirements); and
- risk assessment and risk management pertaining to Freshworks' financial, accounting, tax and cybersecurity and information technology matters.

**COMPOSITION**

1. **Membership and Appointment.** The Audit Committee will consist of at least three (3) members of the Board, with the exact number determined by the Board. Members of the Audit Committee will be appointed by the Board and may be removed by the Board in its discretion. Vacancies on the Audit Committee will be filled by majority vote of the Board , and additional members may be appointed by the Board from time to time.
2. **Qualifications.** Members of the Audit Committee must meet the following criteria as well as any additional criteria required by applicable law, the rules and regulations of the Securities and Exchange Commission (the "**SEC**"), the listing standards of the securities exchange on which Freshworks' securities are listed (the "**Exchange**") or such other qualifications as are established by the Board from time to time, subject to any applicable exemptions and transition provisions:
  - Each member of the Audit Committee must be an independent director in accordance with (i) the listing standards of the Exchange, except as may otherwise be permitted by the rules of the Exchange, and (ii) Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), except as may otherwise be permitted by SEC rules; provided, however, the Company may avail itself of any phase-in rules or interpretations applicable to newly listed companies in connection with an initial public offering.
  - Each member of the Audit Committee must be financially literate, as determined by the Board in accordance with applicable rules and regulations of the Exchange. At least one member of the Audit Committee must have accounting or related financial management expertise, as determined by the Board.

- At least one member of the Audit Committee will be an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K. A person who satisfies this definition of audit committee financial expert will also be presumed to have the requisite financial expertise referred to above.
3. **Chairperson.** The Board may designate a chairperson of the Audit Committee. In the absence of that designation, the Audit Committee may designate a chairperson by majority vote of the Audit Committee members; provided that, the Board may replace any chairperson designated by the Audit Committee at any time.

## RESPONSIBILITIES

The following are the principal recurring responsibilities of the Audit Committee. The Audit Committee may perform such other functions as are consistent with its purpose and applicable laws, rules and regulations and as the Board may request.

1. **Select and Hire the Independent Auditor and Any Other Registered Public Accounting Firm.** The Audit Committee will be responsible for appointing, compensating, retaining and, where appropriate, replacing the independent auditor. The independent auditor will report directly to the Audit Committee. The Audit Committee will have sole authority to approve the hiring and discharging of the independent auditor, all audit engagement fees and terms and all permissible non-audit engagements with the independent auditor. The Audit Committee will also appoint, retain, compensate, oversee and, where appropriate, replace any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Freshworks.
2. **Supervise and Evaluate the Independent Auditor and Any Other Registered Public Accounting Firm.** The Audit Committee will:
  - oversee and evaluate the work of (i) the independent auditor and (ii) any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Freshworks, which evaluation will include a review and evaluation of the lead partner of the independent auditor. The Audit Committee will review, in consultation with the independent auditor, the annual audit plan and scope of audit activities and monitor such plan’s progress;
  - review and resolve any disagreements that may arise between management and the independent auditor regarding internal controls or financial reporting; and
  - at least annually, obtain and review a report by the independent auditor that describes (i) the independent auditor’s internal quality-control procedures and (ii) any material issues raised by the most recent internal quality-control review, peer review or Public Company Accounting Oversight Board (the “*PCAOB*”) review of the independent auditor or by any other inquiry or investigation by governmental or professional authorities, within the preceding five (5) years (or such other period as may be requested by the Audit Committee), regarding any independent audit performed by the independent auditor, and any steps taken to deal with any such issues.

3. **Evaluate the Independence of the Independent Auditor.** The Audit Committee will, at least annually:
  - review and discuss with the independent auditor the written independence disclosure required by the applicable requirements of the PCAOB;
  - review and discuss with the independent auditor on a periodic basis any other relationships or services (including permissible non-audit services) that may affect its objectivity and independence;
  - oversee the rotation of the independent auditor's lead audit and concurring partners and the rotation of other audit partners, with applicable time-out periods, in accordance with applicable law; and
  - take, or recommend to the Board that it take, appropriate action to oversee the independence of Freshworks' independent auditor.
  
4. **Approve Audit and Non-Audit Services and Fees.** The Audit Committee will (i) review and approve, in advance, the scope and plans for the audits and the audit fees and (ii) approve in advance (or, where permitted under the rules and regulations of the SEC, subsequently) all non-audit and tax services to be performed by the independent auditor or any other registered public accounting firm that are not otherwise prohibited by law and any associated fees. The Audit Committee will review and revise as necessary the Company's Audit Related and Non-Audit Services Pre-Approval Policies and Procedures, attached hereto as Exhibit A. The Audit Committee chairperson is delegated the authority to pre-approve audit and permissible non-audit services and any associated fees, provided that the chairperson of the Audit Committee must report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee may, in accordance with applicable law, establish, amend and administer pre-approval policies and procedures for the engagement of independent accountants to render services to Freshworks.
  
5. **Review Financial Statements.** The Audit Committee will review and discuss the following with management and the independent auditor, as applicable:
  - the scope, materiality and timing of the annual audit of Freshworks' financial statements;
  - Freshworks' annual audited and quarterly financial statements and the financial information included in its annual and quarterly reports on Forms 10-K and 10-Q, including the disclosures in "Management's Discussion and Analysis of Financial Condition and Results of Operations";
  - the results of the independent audit and the quarterly reviews, the independent auditor's opinion on the annual financial statements, and the results of the independent auditors' SAS No. 100, *Interim Financial Information* (Codification of Statements on Auditing Standards, AU § 722), or similar, review of the quarterly financial statements;
  - the applicable reports and certifications regarding internal control over financial reporting and disclosure controls and procedures;

- significant events, and transactions, as well as major issues regarding accounting principles and financial statement presentations, including any significant changes in Freshworks' selection, application or disclosure of critical accounting policies, principles, practices, judgments or estimates;
  - analyses prepared by management or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements;
  - the effect of regulatory and accounting initiatives on Freshworks' financial statements;
  - any significant changes required or taken in the audit plan as a result of any material control deficiency;
  - any problems or difficulties the independent auditor encountered in the course of its audit work, including any restrictions on the scope of the auditor's activities or on access to requested information, and management's response; and
  - any significant disagreements between management and the independent auditor.
6. **Audited Financial Information; Audit Committee Report.** Following the satisfactory completion of each year-end review, the Audit Committee will recommend to the Board whether or not the audited financial statements should be included in Freshworks' annual reports on Form 10-K and will prepare the report of the Audit Committee that SEC rules require to be included in Freshworks' annual proxy statement.
7. **Reports and Communications from the Independent Auditor.** The Audit Committee will review and discuss quarterly reports from the independent auditor concerning the following:
- all critical accounting policies and practices to be used by Freshworks;
  - all alternative treatments of financial information within generally accepted accounting principles ("**GAAP**") that the auditor has discussed with management, ramifications of the use of these alternative disclosures and treatments, and the treatment preferred by the independent auditor if different from that used by management;
  - critical audit matters arising from the current period audit;
  - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences; and
  - other matters required to be communicated to the Audit Committee under generally accepted auditing standards and other legal or regulatory requirements, including any matters required to be communicated under *PCAOB Auditing Standards No. 16, Communications with Audit Committees*.
8. **Earnings Press Releases and Earnings Guidance.** The Audit Committee will review earnings press releases, as well as financial information and earnings guidance provided to the public, analysts and ratings agencies.

9. **Internal Controls.** The Audit Committee will review and discuss with management and the independent auditor the adequacy and effectiveness of Freshworks' internal controls, including any changes, significant deficiencies or material weaknesses in those controls reported by the independent auditor or management, any special audit steps adopted in light of significant control deficiencies, and any fraud, whether or not material, that involves management or other Freshworks employees who have a significant role in Freshworks' internal controls.
10. **Disclosure Controls and Procedures.** The Audit Committee will review and discuss the adequacy and effectiveness of Freshworks' disclosure controls and procedures, and review the charter of any disclosure committee established by Freshworks.
11. **Internal Audit Function.** The Audit Committee will:
  - meet periodically with the internal auditors, if any, or other Freshworks personnel primarily responsible for the design and implementation of the internal audit function, as applicable and appropriate; and
  - meet periodically with management and review management's plans with respect to the responsibilities, budget and staffing of the internal audit function, and Freshworks' plans for the implementation of the internal audit function.
12. **Legal and Regulatory Compliance.** The Audit Committee will review and discuss with management and the independent auditor, as applicable, (i) procedures established for the receipt, retention and treatment of complaints on accounting, internal accounting controls or audit matters, as well as for confidential and anonymous submissions by Freshworks' employees concerning questionable accounting or auditing matters, and will oversee the review and resolution of any such complaints and submissions that have been received and (ii) reports regarding compliance with applicable laws, regulations and internal compliance programs, in each case to the extent such programs, laws or regulations pertain to Freshworks' financial, accounting and/or tax matters. The Audit Committee will discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding Freshworks' financial statements or accounting policies. The Audit Committee will discuss with management any legal matters that may have a material impact on the financial statements or Freshworks' compliance procedures that pertain to financial, accounting, investment or tax matters, or that would otherwise have a material impact on Freshworks.
13. **Adequacy of Personnel.** The Audit Committee will periodically review the adequacy and effectiveness of the Company's accounting, financial and auditing personnel resources.
14. **Risk Management.** The Audit Committee will review and discuss with management, the internal auditors, if applicable, and the independent auditor Freshworks' major financial risk exposures and the steps management has taken to monitor and control those exposures, including Freshworks' guidelines and policies with respect to risk assessment and risk management pertaining to financial, accounting, legal, compliance, investment and tax matters, including anti-fraud measures. In addition, the Audit Committee will review Freshworks' risk management framework and programs, overall risk profile, and risk exposures with the Board.

15. **Cybersecurity and Data Privacy.** The Audit Committee will review the significant cybersecurity matters and concerns involving Freshworks, including information security, data privacy, and related regulatory matters and compliance. The Chief Information Security Officer will provide regular periodic reports to the Audit Committee on information security matters and will notify the chairperson of the Audit Committee (along with the entire Board of Directors) as soon as practicable of significant information security matters and concerns as they arise. Management will provide regular periodic reports to the Audit Committee on compliance matters, including data privacy compliance.
16. **Treasury Oversight.** The Audit Committee will review with management Freshworks' (i) investment philosophy and policies, (ii) allocation and performance of its investment portfolio, (iii) management of investment risk, (iv) policies and procedures to comply with laws and regulations pertinent to Freshworks' investment portfolio, and (v) foreign exchange risk management.
17. **Tax Matters.** The Audit Committee will provide oversight regarding significant tax matters, including Freshworks' tax planning and compliance, and approve policies related to these matters.
18. **Related Party Transactions.** The Audit Committee will (i) review and oversee all transactions between Freshworks and a related person for which review or oversight is required by applicable law or that are required to be disclosed in Freshworks' financial statements or SEC filings and (ii) develop policies and procedures for the Audit Committee's review, approval and/or ratification of such transactions with the Chief Accounting Officer.
19. **Hiring of Auditor Personnel.** The Audit Committee will set hiring policies for Freshworks with regard to employees and former employees of Freshworks' independent auditor.
20. **Policies.** The Audit Committee will periodically review the Whistleblower Policy, the Global Anti-Bribery and Anti-Corruption Policy, the Related Person Transactions Policy, and other policies as requested by Freshworks' management, and will recommend material revisions to such policies for approval by the Board or management, as appropriate.

The function of the Audit Committee is primarily one of oversight. Freshworks' management is responsible for preparing Freshworks' financial statements, and the independent auditor is responsible for auditing and reviewing those financial statements. The Audit Committee is responsible for assisting the Board in overseeing the conduct of these activities by management and the independent auditor. The Audit Committee is not responsible for providing any expert or special assurance as to the financial statements or the independent auditor's work. It is recognized that the members of the Audit Committee are not full-time employees of Freshworks, that it is not the duty or responsibility of the Audit Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to set auditor independence standards, and that each member of the Audit Committee will be entitled to rely on (i) the integrity of those persons and organizations within and outside Freshworks from which the Audit Committee receives information and (ii) the accuracy of the financial and other information provided to the Audit Committee, in either instance absent actual knowledge to the contrary.

## MEETINGS AND PROCEDURES

### 1. Meetings.

- The Audit Committee will meet as often as it deems necessary or appropriate, but no less than four (4) times each year, at such times and places as the Audit Committee determines. The chairperson of the Audit Committee will preside at each meeting. The chairperson will approve the agenda for the meetings, and any member may suggest items for consideration. If the chairperson of the Audit Committee is not designated or present, an acting chair may be designated by the Audit Committee members present. The Audit Committee may act by written consent (which may include electronic consent) in lieu of a meeting in accordance with Freshworks' bylaws. A quorum of the Audit Committee for the transaction of business will be a majority of its members.
- The Audit Committee will maintain written minutes of its proceedings and actions by written consent, which minutes and actions by written consent will be filed with the minutes of the meetings of the Board.
- The Audit Committee will meet periodically with members of management and the independent auditor in separate executive sessions as the Audit Committee deems appropriate.
- The Audit Committee may invite to its meetings any Freshworks director, officer or employee or such other persons as it deems appropriate in order to carry out its responsibilities. The Audit Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities, including non-management directors who are not members of the Audit Committee.

2. **Reporting to the Board of Directors.** The Audit Committee will report regularly to the Board with respect to the Audit Committee's activities, determinations and recommendations, including (i) management's activities with respect to the design and implementation of the internal audit function, to the extent applicable; (ii) financial and enterprise risk assessment and risk management; and (iii) any significant issues that arise with respect to the quality or integrity of Freshworks' financial statements, internal controls, disclosure controls and procedures, Freshworks' compliance with legal or regulatory requirements or the performance and independence of Freshworks' independent auditor, as applicable.

3. **Authority to Retain Advisors.** The Audit Committee will have the authority, in its sole discretion, to select and retain independent counsel and such other advisors (each an "**Advisor**") as it deems necessary or appropriate to assist with the execution of its duties as set forth in this charter. Freshworks will provide appropriate funding, as determined by the Audit Committee, to pay any Advisors hired by the Audit Committee and any administrative expenses of the Audit Committee that the Audit Committee determines are necessary or appropriate in carrying out its activities. The authority granted to the Audit Committee pursuant to this charter to retain Advisors will not affect the ability or obligation of the Audit Committee to exercise its own judgment in fulfillment of its duties under this charter.

4. **Delegation.** When appropriate and permissible under legal or regulatory requirements, the Audit Committee may delegate authority to one or more directors or authorized officers of Freshworks, who need not be members of the Audit Committee. The Audit Committee will not delegate any power or authority required by law, regulation or listing standard to be exercised by the Audit Committee as a whole.
5. **Committee Charter Review.** The Audit Committee will review and reassess the adequacy of this charter at least annually and will submit any recommended changes to this charter to the Board for approval.
6. **Performance Review.** The members of the Audit Committee will review and assess the performance of the Audit Committee on an annual basis.
7. **Authority to Investigate.** In the course of its duties, the Audit Committee will have authority, at Freshworks' expense, to investigate any matter brought to its attention.
8. **Attorney's Reports.** The Audit Committee will receive and, if appropriate, respond to attorneys' reports of evidence of material violations of securities laws and breaches of fiduciary duty and similar violations of foreign, U.S., state or local law. The Audit Committee will establish procedures for the confidential receipt, retention and consideration of any attorney report.
9. **Access.** The Audit Committee will be given full access to the chairperson of the Board, management and the independent auditor, as well as Freshworks' books, records, facilities and other personnel.
10. **Compensation.** Members of the Audit Committee will receive such fees or other compensation, if any, for their service as Audit Committee members as may be determined by the Board in its sole discretion. Members of the Audit Committee may not receive any compensation from Freshworks except the fees or other compensation that they receive for service as a member of the Board or any committee thereof.
11. **Duly Authorized Actions.** Any actions taken by the Audit Committee during any period in which one or more members fail for any reason to meet the membership requirements set forth in this charter will be nonetheless duly authorized actions of the Audit Committee for all corporate purposes, except to the extent required by law or determined necessary by the Audit Committee to satisfy regulatory or listing standards.

## EXHIBIT A

### **FRESHWORKS INC. AUDIT RELATED AND NON-AUDIT SERVICES PRE-APPROVAL POLICIES AND PROCEDURES**

(Adopted August 5, 2021; Effective upon the effectiveness of the registration statement relating to the Company's initial public offering)

The Audit Committee has the authority to appoint, or recommend to the stockholders of Freshworks Inc. (the "Company") for appointment, the public accounting firm employed by the Company to conduct the annual audit. The policies and procedures with respect to engaging the Company's independent external auditor to render additional services, either audit related or non-audit services, are as follows, subject to amendment from time to time by the Audit Committee:

#### **I. DELEGATION**

As permitted by the Sarbanes-Oxley Act of 2002, as amended, and the SEC's rules, the Audit Committee has delegated pre-approval authority to the Chairperson of the Audit Committee, who may pre-approve audit and permissible non-audit services and any associated fees, provided that the Chairperson of the Audit Committee must report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next scheduled meeting.

#### **II. AUDIT SERVICES**

The annual audit services engagement terms and fees will be subject to the specific pre-approval of the Audit Committee. Audit services include:

- the annual financial statement audit (including required quarterly reviews);
- subsidiary audits;
- equity investment audits;
- and other procedures required to be performed by the independent auditor to be able to form an opinion on the Company's consolidated financial statements, including information systems and procedural reviews and testing performed in order to understand and rely on the systems of internal control and consultations relating to the audit or quarterly review;
- the attestation engagement for the independent auditor's report on management's report on internal controls for financial reporting; and
- other audit services, which are those services that only the independent auditor reasonably can provide, including statutory audits or financial audits for subsidiaries or affiliates of the Company and services associated with SEC registration statements, periodic reports and other documents filed with the SEC or issued in connection with securities offerings.

The Audit Committee will monitor the audit services engagement as necessary but no less than on a quarterly basis and will also approve, if necessary, any changes in terms, conditions and fees resulting from changes in audit scope, Company structure or other items.

### III. NON-AUDIT SERVICES CONSIDERATIONS WHEN PROPOSED TO BE PERFORMED BY THE COMPANY'S EXTERNAL AUDITOR

#### A. General Policy

Any non-audit services performed by the Company's independent external auditor must be approved by the Audit Committee.

In determining whether to approve non-audit services to be performed by the independent registered public accounting firm that performs the audit of the Company's financial statements, the overall policy to be considered is to maintain the outside auditor's independence, which independence will be compromised if any non-audit service infringes on the following three basic principles: (1) an outside auditor cannot function in the role of management, (2) an outside auditor cannot audit his or her own work, (3) an outside auditor cannot serve in an advocacy role for the Company.

#### B. Permitted Services

The following specific services may be provided by the Company's independent external auditor, subject to the pre-approval process contained herein:

- (1) **Tax Services.** Company compliance and assistance with tax-related due diligence is allowed. Representing the Company before a tax court, however, may impair the outside auditor's independence and so is subject to pre-approval by the entire Audit Committee. In addition, the entire Audit Committee must also pre-approve any transaction identified or recommended by the outside auditor, the sole business purpose of which may be tax avoidance and the tax treatment of which may not be supported in the Internal Revenue Code and related regulations.
- (2) **Expert Services Related to the Audit.** The outside auditor may be engaged to assist the Audit Committee to fulfill its responsibilities to conduct its own investigation of a potential accounting impropriety. The outside auditor may also perform internal investigations or fact-finding engagements including forensic or other fact-finding work that results in the issuance of a report to the Company. Performing such procedures is consistent with the role of the outside auditor and can improve audit quality. In addition, in any litigation or regulatory or administrative proceeding or investigation, the outside auditor may provide factual accounts, including testimony, of work performed or explaining the positions taken or conclusions reached during the performance of any service provided by the outside auditor for the Company.
- (3) **Acquisition Due Diligence.** The outside auditor may be engaged to assist the Company in gathering and reviewing documents and financial information relating to entities and assets that the Company is considering for acquisition or investment. The outside auditor's services may include forensic or other fact-finding work and may result in the issuance of a report to the Company. However, the outside auditor should not be engaged to provide any opinion on valuation of the acquisition or fairness of the transaction or any other expert opinion relating to the transaction.

In addition, the Audit Committee believes, based on the SEC's rules prohibiting the independent auditor from providing specific non-audit services, that other types of non-audit services are permitted. Accordingly, the Audit Committee believes it may grant general pre-approval to those permissible non-

audit services that it believes are routine and recurring services and would not conflict with any of the three basic principles of independence referenced above. A list of the prohibited non-audit services is below.

### C. Prohibited Services

Unless otherwise provided herein, the accounting firm that performs an audit of the Company's financial statements may not be approved to provide any of the following services, or any other service that the PCAOB determines by regulation to be impermissible:

- (1) **Bookkeeping.** Bookkeeping or other services related to the accounting records or financial statements of the Company, including maintaining or preparing the Company's records, or preparing or originating source data underlying the Company's financial statements. Notwithstanding the foregoing, the accounting firm that performs an audit of the Company's financial statements may provide the services described in this paragraph (1) if the Audit Committee believes it is reasonable to conclude that the results of the services will NOT be subject to audit procedures during an audit of the Company's financial statements.
- (2) **Financial Information Systems Design and Implementation.** Financial information systems design and implementation, including directly or indirectly operating or supervising the operation of, the Company's information system or managing the Company's local area network, or designing or implementing a hardware or software system that aggregates source data underlying the financial statements or generates information that is significant to the Company's financial statements or other financial information systems taken as a whole. Notwithstanding the foregoing, the accounting firm that performs an audit of the Company's financial statements may provide the services described in this paragraph (2) if the Audit Committee believes it is reasonable to conclude that the results of the services will NOT be subject to audit procedures during an audit of the Company's financial statements.

Examples of items that are not considered "prohibited services" under this paragraph (2) include working on hardware or software systems' unrelated to the Company's financial statements or accounting records. Additionally, the outside auditor may evaluate the internal controls of a system as it is being designed, implemented or operated either as part of an audit or attest service and making recommendations to management. Likewise, the outside auditor may make recommendations on internal control matters to management or other service provides in conjunction with the design and installation of a system by another service provider.

- (3) **Appraisal or Valuation Services, Fairness Opinions, or Contribution-in-Kind Reports.** Any appraisal service, valuation service or any service involving a fairness opinion or contribution-in-kind report for the Company. Notwithstanding the foregoing, the accounting firm that performs an audit of the Company's financial statements may provide the services described in this paragraph (3) if the Audit Committee believes it is reasonable to conclude that the results of the services will NOT be subject to audit procedures during an audit of the Company's financial statements.

Examples of items that are not considered "prohibited services" under this paragraph (3) include providing these services for non-financial reporting purposes (e.g., transfer pricing studies, cost segregations studies and other tax-only valuations). In addition, the outside

auditor may utilize its own valuation specialist to review the work performed by the Company or a specialist employed by the Company, provided the Company or the specialist employed by the Company provides the technical expertise that the Company uses in determining the amounts recorded in the financial statements.

- (4) **Actuarial Services.** Actuarial services, including any actuarially-oriented advisory service involving the determination of amounts recorded in the financial statements and related accounts for the Company, other than assisting the Company in understanding the methods, model, assumptions, and inputs used in computing an amount. Notwithstanding the foregoing, the accounting firm that performs an audit of the Company's financial statements may provide the services described in this paragraph (4) if the Audit Committee believes it is reasonable to conclude that the results of the services will NOT be subject to audit procedures during an audit of the Company's financial statements.

Examples of items that are not considered "prohibited services" under this paragraph (4) include advising on the appropriate actuarial methods and assumptions to be used. (It is not, however, appropriate for the outside auditor to provide the actuarial valuations). The outside auditor may also utilize its own actuaries to assist in conducting the audit so long as the Company uses its own actuaries or third-party actuaries to provide management with actuarial capabilities.

- (5) **Internal Audit Outsourcing Services.** Internal audit outsourcing services, including any internal audit service that has been outsourced by the Company that relates to the Company's internal accounting controls, financial systems or financial statements for the Company. Notwithstanding the foregoing, the accounting firm that performs an audit of the Company's financial statements may provide the services described in this paragraph (5) if the Audit Committee believes it is reasonable to conclude that the results of the services will NOT be subject to audit procedures during an audit of the Company's financial statements.

Examples of items that are not considered "prohibited services" under this paragraph (5) include the outside auditor providing attest services to the Company related to internal controls, and making recommendations or improvements in connection with the outside audit. These do not constitute an internal audit outsourcing engagement.

- (6) **Management Functions.** Management functions, including acting, temporarily or permanently, as a directors, officer, or employee of the Company or performing any decision-making, supervisory or ongoing monitoring function for the Company.

- (7) **Human Resources.** Human resource services, including searching for or seeking out prospective candidates for managerial, executive, or director positions, engaging in psychological testing or other formal testing or evaluation programs, undertaking reference checks of prospective candidates for an executive or director position, acting as a negotiator on the Company's behalf, such as determining position, status or title, compensation, fringe benefits, or other conditions of employment, or recommending or advising the Company to hire, a specific candidate for a specific job.

Examples of items that are not considered "prohibited services" under this paragraph (7) include interviewing job candidates and advising the Company on the candidates' competence for financial accounting, administrative or control positions.

- (8) **Broker-Dealer, Investment Adviser, or Investment Banking Services.** Broker-dealer, investment adviser, or investment banking services, including acting as a broker-dealer (registered or unregistered), promoter or underwriter, on behalf of the Company, making investment decisions on behalf of the Company or otherwise having discretionary authority over the Company's investments, executing a transaction to buy or sell an investment of the Company, or having custody of assets of the Company, such as taking temporary possession of securities purchased by the Company.
- (9) **Legal Services.** Legal services, including providing any service to the Company that, under circumstances in which the service is provided, could be provided only by someone licensed, admitted or otherwise qualified to practice law in the jurisdiction in which the service is provided.
- (10) **Expert Services Unrelated to the Audit.** Expert services unrelated to the audit, including providing an expert opinion or other expert service for the Company or the Company's legal representative for the purpose of advocating the Company's interests in litigation or in a regulatory or administrative proceeding or investigation.

#### **IV. PRE-APPROVAL FEE LEVELS OR BUDGETED AMOUNTS**

Pre-approval fee levels or budgeted amounts for all services to be provided by the independent auditor will be established annually by the Audit Committee. Any proposed services exceeding these levels or amounts will require specific pre-approval by the Audit Committee. The Audit Committee is mindful of the overall relationship of fees for audit and non-audit services in determining whether to pre-approve any such services. For each fiscal year, the Audit Committee may determine the appropriate ratio between the total amount of fees for audit, audit-related and tax services, and the total amount of fees for services classified as all other services.

#### **V. ADDITIONAL REQUIREMENTS**

The Audit Committee has determined to take additional measures on an annual basis to meet its responsibility to oversee the work of the independent auditor and to assure the auditor's independence from the Company, such as reviewing a formal written statement from the independent auditor delineating all relationships between the independent auditor and the Company, consistent with Public Company Accounting Oversight Board Rule 3526, and discussing with the independent auditor its methods and procedures for ensuring independence. The Audit Committee has concluded that the Company is prohibited from hiring as an employee or service provider any individual who worked for the independent auditor on the Company's engagement within 12 months preceding such employee or service provider's hire.