

# InterDigital Audit Committee Charter

## Function

The primary function of the Audit Committee (the "Committee") is to assist the Board of Directors (the "Board") in fulfilling its oversight responsibilities related to corporate accounting, financial reporting practices and integrity of financial reports as well as legal and regulatory compliance therewith. The Committee will provide support for management's efforts to enhance the quality of the Company's internal control structure and help to facilitate effective communication between the Board and the Company's independent registered public accounting firm

## Organization

The Committee will be comprised of three or more directors of the Board, each of whom is independent of management and the Company. The members of the Audit Committee shall meet the independence and experience requirements of the NASDAQ Stock Market, and federal laws and regulations applicable to audit committees. Further, all members of the Committee must have a basic understanding of accounting policies and be able to read and understand financial statements, including a company's balance sheet, income statement, and cash flow statement. At least one member of the Committee shall be an audit committee financial expert, within the meaning of applicable Commission and NASDAQ rules.

## Meetings

The Committee will meet at least quarterly each year, and at any additional time as either the Board or the Committee deems necessary. The Committee Chairman has the power to call a Committee meeting whenever he or she determines there is a need. Meetings will follow an agenda and approved minutes of the meeting will be maintained.

The Company's independent registered public accounting firm and senior internal auditor will generally be requested to attend Committee meetings. The Committee may request members of management or others to attend meetings and to provide pertinent information as necessary. The Committee will provide management, the independent registered public accounting firm, the senior internal auditor and other persons as appropriate with opportunities to meet in private sessions with the Committee to discuss any matters the Committee or these groups believe should be discussed privately.

## Responsibilities

### **I. General Responsibilities**

- A. The Committee provides open avenues of communication with management, the independent registered public accounting firm, the senior internal auditor, and the Board. The Committee shall meet in executive session with management, the independent registered public accounting firm and the senior internal auditor to discuss any matters such parties believe should be discussed privately.
- B. The Committee must report Committee actions to the full Board and may make appropriate recommendations.
- C. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company, and may meet with the general counsel and/or other members of management of the Company.
- D. The Committee will establish independent registered public accounting firm 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 the Company regarding questionable accounting or auditing matters.
- E. The Committee will have the authority to engage independent counsel and other advisors, as it determines necessary to carry out its duties.
- F. The Committee will have authority to review and approve the employment and replacement of the senior internal auditor, and evaluate the performance and approve the compensation of the senior internal auditor.
- G. All auditing services and permissible non-audit services provided to the Company by its independent registered public accounting firm will be pre-approved by the Committee, subject to the de minimus exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Audit Committee prior to the completion of the audit. The Chairman of the Committee shall have the authority to grant pre-approvals of audit and permissible non-audit services, provided that all pre-approvals by the Chairman shall be presented to the full Committee at its next scheduled meeting.
- H. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent registered public accounting firm and to any advisors engaged by the Audit Committee.

## II. Responsibilities for Engaging Independent Accountants

- A. The Committee will be directly responsible for the appointment, compensation, and oversight of the work of the independent registered public accounting firm (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent registered public accounting firm will report directly to the Committee.
- B. The Committee will discuss with the independent registered public accounting firm all significant relationships and services the independent registered public accounting firm have with the Company to determine and ensure the independence of the independent registered public accounting firm. The Committee will also require from the independent registered public accounting firm an annual statement delineating all relationships between the independent registered public accounting firm, related companies and the Company.
- C. The Committee will review the performance of the independent registered public accounting firm. The Committee will have the ultimate authority and responsibility to select, evaluate and, if deemed appropriate, replace the Company's independent registered public accounting firm. The Committee shall request the Board to submit the selection of the independent registered public accounting firm for ratification at each annual meeting of shareholders.
- D. The Committee will consult with the independent registered public accounting firm and financial management of the Company to review the scope of the annual audit, as well as the planning and staffing of the audit to the extent appropriate.
- E. The Committee will review and approve the fees to be paid to the independent registered public accounting firm.

## III. Responsibilities for Reviewing the Annual Audit and the Review of Quarterly and Annual Financial Statements

- A. The Committee will ascertain that the independent registered public accounting firm will be available to the full Board at least annually (and more frequently if deemed appropriate by the Committee) to provide the Committee with a timely analysis of significant financial reporting issues.
- B. The Committee will ask management and the independent registered public accounting firm about significant risks and exposures relating to the Company's quarterly and annual financial statements and will assess management's steps to minimize them.
- C. The Committee will address with the independent registered public accounting firm (i) the Company's critical accounting policies, (ii) alternative treatments of financial information within generally accepted accounting principles that the independent registered public accounting firm have discussed with management, and the alternative preferred by the independent registered public accounting firm and (iii) material written communications between the independent registered public accounting firm and management, such as a schedule of unadjusted differences.
- D. The Committee will review any significant findings and recommendations made by the Company's independent registered public accounting firm, together with management's responses to them.
- E. The Committee will review and approve, at least annually, the internal audit scope, audit plans, budget, staffing and relevant processes and programs of the Company's internal audit function. The Committee will periodically review the scope, budget and significant results of any internal audit services provided by outside parties. The Committee shall also receive regular reports from the Company's senior internal auditor regarding the significant results of internal audits, and whether recommendations made in the audits have been implemented by management.
- F. The Committee will review disclosures 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.
- G. At least annually, the Committee will review the following with management and the independent registered public accounting firm:
  - 1. The Company's annual report on Form 10-K, including the consolidated annual financial statements and related footnotes and the clarity of the disclosures in the financial statements.
  - 2. The impact of pronouncements by the Financial Accounting Standards Board, releases of the Securities and Exchange Commission, and any other pertinent regulations that might have an effect on the Company's audited financial statements.
  - 3. The independent registered public accounting firms' audit of and report on the consolidated financial statements.
  - 4. Any matters the independent registered public accounting firm determine that are required to be discussed with the Committee pursuant to Statement of Auditing Standards No. 61 and the standards of the Public Company Accounting Oversight Board in the United States.
- H. The Committee will consider and review with management any significant findings related to financial reporting, internal controls or other corporate matters of importance to the Committee during the year and management's responses to them.
- I. With respect to quarterly results for the first three fiscal quarters of each year, the Committee will meet quarterly with the independent registered public accounting firm and management to discuss the Company's quarterly financial statements as well as whether significant events, transactions and changes in accounting estimates were considered by the independent registered public accounting firm (in their required quarterly review) to have affected the quality of the Company's financial reporting. This meeting will take place prior to filing the Company's Quarterly Report on Form 10-Q with the Commission.
- J. The Committee will discuss with management and the independent registered public accounting firm, as appropriate, financial results to be disclosed in press releases and other publicly disclosed financial information and earnings guidance, including the

use of pro forma or adjusted non-GAAP information.

#### **IV. Certification and Disclosure Responsibilities**

- A. The Committee will ascertain the Company's compliance with requirements of any market on which the Company's securities are traded.
- B. The Committee will ascertain the Company's compliance with required Securities and Exchange Commission disclosures regarding:
- C. Committee member independence, an indication of whether the Committee is governed by a written charter, and if so, will include a copy of the charter in the Company's proxy statement at least once every three years.
- D. The Committee's findings that resulted from the Committee's financial reporting oversight responsibilities.
- E. The Committee will prepare a report each year for inclusion in the Company's proxy statement.

#### **V. Periodic Responsibilities**

- A. Review and assess the adequacy of the Committee's charter on an annual basis.
- B. Review with appropriate management and outside resources, if necessary, legal and regulatory matters that may have a material effect on the organization's financial statements, compliance policies and programs and reports from regulators.
- C. Review reports from management made pursuant to internal procedures and systems designed to promote Company compliance with laws, regulations and internal procedures, and review the scope and status of internal procedures and systems designed to promote Company compliance with laws, regulations and internal procedures.
- D. Review any significant reports to management prepared by the Company's internal auditing function or by any advisor or consultants engaged to evaluate or report on financial matters, and management's responses.
- E. Review and approve all related party transactions.
- F. Set policies consistent with applicable regulations for the hiring of employees or former employees of the Company's independent registered public accounting firm.
- G. Review any other matters that may be appropriate such as corporate insurance coverage and other risk management programs.

#### **VI. Scope of Responsibilities**

While the Committee has the responsibilities and powers 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 are complete and accurate and in accordance with generally accepted accounting principles. The financial statements are the responsibility of the Company's management. The independent registered public accounting firm is responsible for planning and conducting audits to determine whether the financial statements present fairly in all material respects the financial position of the Company. The Committee may also undertake such additional activities within the scope of its primary function as the Committee from time to time determines.