

**CHARTER OF THE  
AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS OF  
ZUORA, INC.**

**As adopted on March 6, 2018**

**I. PURPOSE**

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Zuora, Inc. (the “**Company**”) is to assist the Board in fulfilling its oversight responsibilities relating to the Company’s financial accounting, reporting, compliance and internal controls. The Committee’s principal functions are to assist the Board in its oversight of:

- the Company’s accounting and financial reporting processes, including its audits and the integrity of the Company’s financial statements;
- compliance by the Company with legal and regulatory requirements;
- the qualifications, independence and performance of the Company’s independent auditors (the “**Independent Auditors**”); and
- the performance of the Company’s internal audit function.

This charter (the “**Charter**”) sets forth the authority and responsibility of the Committee. In fulfilling its responsibilities, it is recognized that members of the Committee are neither employees of the Company nor professional accountants or auditors. The functions of the Committee are not intended to duplicate or substitute for the activities of management and the Independent Auditors, and the Committee members are not expected to provide any expert or special assurance as to the Company’s financial statements, internal controls or management of risk or any professional certifications as to the work of the Independent Auditors.

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 are in accordance with U.S. generally accepted accounting principles. This is the responsibility of the Company’s management and the Independent Auditors. In addition, the Company’s management is responsible for managing its risk function and for reporting on its processes and assessments with respect to the Company’s management of risk.

Each member of the Committee can rely on (a) the integrity of those persons and organizations within and outside of the Company from which it receives information, (b) the accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board) and (c) representations made by management as to any audit and non-audit services provided by the Independent Auditors or other registered public accounting firms.

While this Charter should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company’s Certificate of Incorporation and Bylaws, it is not intended to establish by its own force any legally binding obligations.

## II. MEMBERSHIP

The Committee will consist of three or more members of the Board (provided that the Committee may consist of a lesser number of members as permitted by the Exchange Act or the Exchange Rules, each as defined below), with the exact number determined by the Board. Each member of the Committee will:

- be an “independent director” as defined under the applicable rules, regulations and listing requirements of the stock exchange upon which the Company’s securities are listed for trading (the “**Exchange Rules**”), except as may otherwise be permitted by the Exchange Rules;
- be “independent” as defined in Section 10A(m) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and Rule 10A-3 and any other rules and regulations promulgated by the Securities and Exchange Commission (the “**Commission**”) under the Exchange Act (the “**Commission Rules**”), except as may otherwise be permitted by the Commission Rules;
- 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;
- have the ability to read and understand financial statements and meet the financial sophistication and experience requirements of the Exchange Act, the Commission Rules and the Exchange Rules;
- be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a member of the Committee; and
- meet any other requirements imposed by applicable law, regulations or rules, subject to any applicable exemptions and transition provisions.

In addition, at least one member of the Committee will have prior experience in accounting, financial management or financial oversight, as required by the Exchange Rules, and be an “audit committee financial expert” as defined in Item 407 of Regulation S-K promulgated by the Commission. A person who satisfies this definition of “audit committee financial expert” will also be presumed to have accounting, financial management or financial oversight expertise.

Each member of the Committee will be appointed by the Board and will serve until the earlier of such member’s resignation, removal or death. The Board may remove any member from the Committee at any time with or without cause. The Board may appoint a member of the Committee to serve as the chairperson of the Committee (the “**Chair**”). If the Board does not appoint a Chair, the Committee members may designate a Chair by a majority vote. The Chair will set the agenda for and conduct the proceedings of Committee meetings.

## III. RESPONSIBILITIES AND DUTIES

The principal responsibilities and duties of the Committee in serving the purposes outlined in Section I of this Charter are set forth below. These duties are set forth as a guide, with the understanding that the Committee will carry them out in a manner that is appropriate given the Company’s needs and circumstances. The Committee may engage in such other activities, and establish such policies and procedures, from time to time, as it deems necessary or advisable in implementing this Charter and fulfilling its responsibilities.

## **Financial Statements and Disclosures**

1. Review and discuss the Independent Auditors and the Company's management the Company's quarterly and annual financial results and the related earnings press releases and earnings guidance to be distributed to the public, including to analysts and, if applicable, rating agencies.
2. Review the Company's quarterly and annual financial statements.
3. In connection with the Committee's review of the annual financial statements:
  - discuss the financial statements (including the related notes) and the results of the Independent Auditors' audit of the financial statements with the Independent Auditors, any internal audit function, and management;
  - discuss any items required to be communicated by the Independent Auditors in accordance with the applicable requirements of the Public Company Accounting Oversight Board (the "**PCAOB**"); and
  - recommend to the Board whether the annual financial statements should be included in the Company's Annual Report on Form 10-K.
4. Discuss with the Company's management and the Independent Auditors the Company's critical accounting policies and practices.
5. In connection with the Committee's review of the quarterly financial statements:
  - discuss with the Independent Auditors and the Company's management the quarterly 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; and
  - discuss significant issues, events and transactions, and any significant changes regarding accounting principles, practices, policies, judgments or estimates with the Company's management and the Independent Auditors.
6. Review the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
7. As a Committee, and with the Independent Auditors, review any major issues regarding accounting principles, presentation of financial statements, the Company's internal control over financial reporting, the effect of alternative generally accepted accounting principle methods, the impact of any regulatory or accounting initiatives or off-balance sheet arrangements, and any other audit difficulties or problems, including management's response to such issues.

## **Internal Controls**

8. Review and discuss with the Independent Auditors and the Company's management their periodic reviews of the adequacy and effectiveness of the Company's accounting and financial reporting processes and systems of internal control, including any significant deficiencies and material weaknesses in their design or operation.

9. Review any allegations of fraud involving management or any employee of the Company with a significant role in the Company's accounting and financial reporting process and systems of internal controls that are disclosed to the Committee.

10. Discuss any comments or recommendations of the Independent Auditors outlined in their annual management letter or internal control reports.

11. Periodically consult with the Independent Auditors out of the presence of the Company's management about internal controls, the fullness and accuracy of the Company's financial statements and any other matters that the Committee or the Independent Auditors believe should be discussed privately with the Committee.

12. Review and approve the role of the Company's internal audit function as, and if, required under applicable Exchange Rules, including its purpose, authority, organization, responsibilities, budget and staffing and review the scope and performance of the internal audit plan, including the results of any internal audits, any reports to management and management's response to those reports.

13. Periodically meet separately with management and with internal auditors (or other personnel responsible for the internal audit function).

14. Review with management the Company's major financial risk exposures and the steps management has taken to monitor such exposures, including the Company's procedures and any related policies, with respect to risk assessment and risk management.

15. Oversee the review of any complaints and submissions that have been received under the Company's Whistleblower and Complaint Policy, Global Codes of Business Conduct and Ethics or other compliance policies and retain authority to determine the appropriate response and remedy.

16. Periodically review the Company's compliance with applicable laws and regulations and review and oversee the Company's policies, procedures, and programs designed to promote and monitor legal and regulatory compliance.

### **Independent Auditors**

17. Be directly responsible for the selection, appointment, discharge, compensation, retention, and oversight of the work of the Independent Auditors. The Independent Auditors will report directly to the Committee.

18. Be directly responsible for the selection, appointment, discharge, compensation, retention and oversight of any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit-related services for the Company.

19. Review and discuss with the Independent Auditors and management (a) any significant audit problems or difficulties, including difficulties encountered by the Independent Auditors during their audit work (such as restrictions on the scope of their activities or their access to information), (b) any significant disagreements between management and the Independent Auditors and (c) management's response to these problems, difficulties or disagreements.

20. Review the qualifications, performance and continuing independence of the Independent Auditors, including:

- evaluating the lead audit partner and assuring the regular rotation of the Company's

lead audit partner at the Independent Auditors as required by law;

- obtaining and reviewing, on an annual basis, a letter from the Independent Auditors describing (a) all relationships between the Independent Auditors and the Company required to be disclosed by applicable requirements of the PCAOB, (b) the Independent Auditor's internal quality control procedures, and (c) any material issues raised by the most recent internal quality control review, peer review or PCAOB review or inspection of the firm or by any other inquiry or investigation by governmental or professional authorities;
- reviewing and discussing with the Independent Auditors their objectivity and independence, including the nature and scope of any such relationships; and
- taking, or recommending that the Board take, appropriate action to oversee the independence of the Independent Auditors.

21. Periodically consider and assess the desirability of developing hiring policies for the Company's hiring of employees or former employees of the Independent Auditors, as required by regulations and by applicable listing standards. Review the Independent Auditors' audit planning, scope and staffing.

22. Approve the fees and other compensation to be paid to the Independent Auditors (or other registered public accounting firms), and pre-approve all audit and non-audit related services provided by the Independent Auditors (or other registered public accounting firms) permitted by the Exchange Rules, Commission Rules and applicable law or regulation. The Committee may establish pre-approval policies and procedures, as permitted by the Exchange Rules, Commission Rules and applicable law, for the engagement of the Independent Auditors (or other registered public accounting firms) to render services to the Company including, without limitation, policies that would allow the delegation of pre-approval authority to one or more members of the Committee.

23. Review and discuss with the Independent Auditors the reports delivered to the Committee by the Independent Auditors regarding the following:

- critical accounting policies, estimates and practices used;
- alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the alternatives, and the treatment preferred by the Independent Auditors; and
- other material written communications between the Independent Auditors and the Company's management.

24. Conduct an annual review of all relationships between the Independent Auditors and the Company and assess Independent Auditor's independence.

**General**

25. On a regular basis, review the status of any significant legal matters and any material reports or inquiries received from regulators or government agencies that could reasonably be expected to have a significant impact on the Company's financial statements.

26. Annually prepare a report to the Company's stockholders for inclusion in the Company's annual proxy statement as required by the Commission Rules.

27. Review and approve any proposed transaction between the Company and any related party (other than transactions that are subject to review by the Board as a whole or any other committee of the Board), as defined by applicable law, the Commission Rules, the Exchange Rules and the Company's Related Party Transaction Policy.

28. Review, and recommend that the Board consider and approve, the Company's Insider Trading Policy, Related Party Transactions Policy and Whistleblower and Complaint Policy, and any changes thereto.

29. Annually review and reassess the adequacy of this Charter and recommend to the Board any changes to this Charter that the Committee considers necessary or advisable.

30. Perform any other activities required by applicable law, rules or regulations, including the Commission Rules and the Exchange Rules, and take such other actions and perform and carry out any other responsibilities and duties delegated to it by the Board or as the Committee deems necessary or appropriate consistent with its purpose.

#### **IV. STUDIES AND ADVISORS**

The Committee, in discharging its responsibilities, may conduct or authorize studies of, or investigations into, any matter that the Committee deems appropriate, with full access to all books, records, facilities and personnel of the Company. The Committee has the sole authority and right, at the expense of the Company, to retain and terminate consultants, accountants, legal counsel, experts and other advisors of its choice to assist the Committee in connection with its functions, including any studies or investigations. The Committee will have the sole authority to approve the fees and other retention terms of such advisors. The Company will provide for appropriate funding, as determined by the Committee, for:

- payment of compensation to any consultants, accountants, legal counsel, experts and other advisors retained by the Committee; and
- ordinary administrative expenses of the Committee that are necessary and appropriate in carrying out its functions.

Irrespective of the retention of consultants, accountants, legal counsel, experts and other advisors to assist the Committee, the Committee shall exercise its own judgment in fulfillment of its functions.

#### **V. MEETINGS, ACTIONS WITHOUT A MEETING AND STAFF**

Meetings of the Committee shall be held at least once each quarter or more frequently, as determined appropriate by the Committee. The Chair, in consultation with the other member(s) of the Committee, will set the dates, times and places of such meetings. The Chair or any other member of the Committee may call meetings of the Committee by notice in accordance with the Company's Bylaws. A quorum of the Committee for the transaction of business will be a majority of its members. Meetings may be held in person or via telephonic- or video-conference. The Committee also may act by unanimous written consent in lieu of a meeting in accordance with the Company's Bylaws. Subject to the requirements of this Charter, applicable law, the Exchange Rules and the Commission Rules, the Committee and the Chair may invite any director, executive or employee of the Company, or such other person, as it deems appropriate in order to carry out its responsibilities, to attend and participate (in a non-voting capacity) in all or a portion of any Committee meeting. The Committee may exclude from all or a portion of its meetings any person it deems appropriate in order to carry out its responsibilities. The Chair will designate a secretary for each meeting, who need not be a member of the Committee. The

Secretary of the Company shall provide the Committee such staff support as it may require.

#### **VI. MINUTES AND REPORTS**

The Committee will maintain written minutes of its meetings and copies of its actions by written consent, and will cause such minutes and copies of written consents to be filed with the minutes of the meetings of the Board. The Chair or any member designated by the Committee will report to the Board following meetings of the Committee and from time to time with respect to the activities of the Committee, including on significant matters related to the Committee's responsibilities and the Committee's deliberations and actions. The minutes of the Committee and actions by the unanimous written consent of the Committee members will be made available to the other members of the Board.

#### **VII. DELEGATION OF AUTHORITY**

The Committee may from time to time, as it deems appropriate and to the extent permitted under applicable law, the Exchange Rules, the Commission Rules, and the Company's Certificate of Incorporation and Bylaws, form and delegate authority to subcommittees. Subcommittees of the Committee will consist of one or more members of the Committee who will regularly report on their activities to the Committee.

#### **VIII. COMPENSATION**

Members of the Committee will receive such fees, if any, for their service as Committee members as may be determined by the Board, which may include additional compensation for the Chair. Such fees may include retainers or per meeting fees and will be paid in such form of consideration as is determined by the Board in accordance with applicable law, the Exchange Rules and the Commission Rules.

#### **IX. PUBLICATION**

The Company shall make this Charter freely available to stockholders on request and, provided that the Company is subject to the periodic reporting requirements of the Exchange Act, shall publish it on the Company's website.

#### **X. ANNUAL PERFORMANCE EVALUATION**

The Committee will conduct a self-evaluation at least annually of the performance of the Committee and its members, including by reviewing the compliance of the Committee with this Charter.