

**Charter  
Audit Committee  
MasterCard Incorporated**

**PURPOSE**

The Audit Committee (the **Committee**) of the Board of Directors (the **Board**) of MasterCard Incorporated (the **Company**) shall assist the Board in fulfilling its responsibility with respect to its oversight of:

- The quality and integrity of the Company's financial statements;
- The Company's compliance with legal and regulatory requirements;
- The qualifications, performance and independence of the independent registered public accounting firm engaged to perform the integrated audit of the Company (the **independent auditor**);
- Risk assessment and risk management of the Company;
- The performance of the Company's internal audit function; and
- The quality of the Company's internal controls.

**STRUCTURE**

The Committee shall be comprised of three or more members of the Board, each of whom is determined by the Board to be independent under the rules of the New York Stock Exchange and the Securities Exchange Act of 1934, as amended (the **Exchange Act**), including the rules and regulations promulgated thereunder.

No member of the Committee may serve on the audit committee of more than three SEC-registered companies, including the Company, unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee, and discloses such determination in the Company's annual proxy statement or on its corporate website.

All members of the Committee shall have a working familiarity with basic finance and accounting practices (or acquire such familiarity within a reasonable period after his or her appointment). At least one member must be an *audit committee financial expert* as defined by the SEC.

At least two-thirds of the members of the Committee shall be directors who are not Industry Directors (as defined in the Company's certificate of incorporation).

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The members of the Committee shall be appointed by the Board and shall serve until their respective successors are duly elected and qualified or until their earlier resignation or removal. The members of the Committee may be removed, with or without cause, by the Board.

Unless a Chairperson is elected by the Board, the members of the Committee shall designate a Chairperson by majority vote of the full Committee membership. The Committee Chairperson shall be entitled to cast a vote to resolve any ties. The Committee Chairperson will chair all regular sessions of the Committee and, in consultation with the General Auditor of the Company, other members of management and/or the Committee, set the agenda for Committee meetings. In the absence of the Committee Chairperson, the Committee shall select another member to preside.

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate.

## **RESOURCES**

The Committee, in discharging its oversight role, may study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the sole authority to engage and terminate independent counsel and other advisors as it determines necessary or appropriate to carry out its duties, including the authority to approve the fees payable to such advisors and any other terms of retention.

The Company shall provide appropriate funding, as determined by the Committee, to compensate the independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company and any advisors that the Committee chooses to engage, as well as funding for the payment of ordinary Committee administrative expenses that are necessary or appropriate in carrying out its duties.

The Committee shall be given full access to the Company's internal audit group, Board, Chief Compliance Officer, management and independent auditor as necessary to carry out its responsibilities. As part of this, the Committee shall periodically incorporate into its meetings separate sessions with each of, or a combination of, management, the General Auditor, the independent auditor and the Chief Compliance Officer to discuss any matters that the Committee or each of these groups believe would be appropriate to discuss privately. The General Auditor and Chief Compliance Officer will also have direct access to the Committee, including through these periodic separate sessions and other meetings.

The Committee is not responsible for certifying the Company's financial statements or guaranteeing the independent auditor's report. The fundamental responsibility for the Company's financial statements and disclosures rests with management while the independent auditor is responsible for conducting the annual audit in accordance with the standards of the Public Company Accounting Oversight Board (United States) (the **PCAOB**).

The Committee shall report regularly to the Board on its meetings and discussions, including with respect to any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditor or the performance of the internal audit function. The Committee shall review with the Board significant issues that arise at Committee meetings. The report may be an oral report given by the Committee Chairperson or other Committee member.

The Committee shall maintain minutes or other records of meetings and activities of the Committee.

## **MEETINGS**

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Chairperson of the Board or any member of the Committee may call meetings of the Committee. Advance notice of Committee meetings shall be given as required by the certificate of incorporation and by-laws of the Company for meetings of the Board.

All non-management directors that are not members of the Committee may attend meetings of the Committee but may not vote. The Committee may also appoint non-management directors as non-voting advisors to the Committee. Additionally, the Committee may invite to its meetings any director, member of management or others, including outside counsel and the independent auditor, as it deems appropriate to assist it in carrying out its responsibilities.

A majority of the Committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Committee.

## **RESPONSIBILITIES AND DUTIES**

The following are the duties the Committee will undertake in carrying out its responsibilities. The Committee may carry out additional duties and adopt additional policies and procedures as needed. The Committee shall also assume additional duties and responsibilities delegated to it by the Board from time to time.

### *Documents/Reports*

1. Review and discuss with management and the independent auditor prior to public dissemination the Company's annual audited financial statements and quarterly financial statements, including the Company's disclosures under *Management's Discussion and Analysis of Financial Condition and Results of Operations*.
2. Discuss with the independent auditor the matters required to be discussed by the applicable auditing standards.
3. Review and discuss with management and the independent auditor the Company's earnings press releases (paying particular attention to the use of any *pro forma* or *adjusted* non-GAAP information and measures), as well as financial information and earnings guidance provided to analysts and rating agencies. The Committee's discussion in this regard may be general in nature (i.e., discussion of the types of information to be disclosed and the type of presentation to be made) and need not take place in advance of each earnings release or each instance in which the Company may provide earnings guidance.
4. Review regulatory authorities' significant examination reports. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.
5. Prepare and submit all Committee reports required to be included in the Company's proxy statement and/or annual report on Form 10-K, pursuant to and in accordance with applicable SEC rules.

### *Independent Auditor*

6. Sole authority to appoint, retain and terminate the independent auditor and approve all audit and non-audit engagement fees and terms.
7. Oversee the work of the independent auditor, including the resolution of any disagreement between management and the independent auditor regarding financial reporting, for the purpose of preparing or issuing an audit report or related work.
8. Approve in advance any audit or non-audit engagement or relationship between the Company and the independent auditor (including fees), other than non-audit services which the Company is prohibited from obtaining from the independent auditor.

The Committee may delegate to one or more of its members the authority to approve in

advance all audit or non-audit engagements to be provided by the independent auditor, so long as each such engagement is presented to the full Committee at its next meeting.

9. Review, at least annually, the qualifications, performance and independence of the independent auditor and of the lead audit partner of the independent auditor. In conducting its review and evaluation, the Committee should:
  - (a) receive the written disclosures and the letter from the independent auditor required by applicable requirements of the PCAOB regarding such firm's communications with the Committee concerning independence, and discuss their independence with such firm;
  - (b) obtain and review a report by the independent auditor describing:
    - the independent auditor's internal quality-control procedures;
    - any material issues raised by the most recent internal quality-control review, or peer review, of such 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 such firm, and any steps taken to deal with any such issues; and
    - to assess the independent auditor's independence, all relationships between the independent auditor and the Company;
  - (c) confirm and evaluate the rotation of the audit partners, and consider whether there should be regular rotation of the independent auditor itself;
  - (d) confirm with any independent auditor retained to provide audit services for any fiscal year that the lead (or coordinating) audit partner (having primary responsibility for the audit), the audit partner responsible for reviewing the audit and any other audit personnel, as applicable, have not performed audit services for the Company for any period that is prohibited under the Sarbanes-Oxley Act and related SEC rules (**SOX**);
  - (e) take into account the opinions of management and the Company's internal auditors; and
  - (f) communicate the Committee's conclusions with respect to the independent auditor to the Board annually.
10. Be apprised by the independent auditor of any inspection reports issued by the PCAOB relating to the independent auditor and discuss with such firm any findings included in the report (whether the public or private portions of the report) to the extent such firm believes relevant to the Company. To the extent the audit of the Company has been selected by the PCAOB for inspection, the Committee should discuss with the independent auditor any areas of the Company's financial statements, internal controls and the audits thereof that

are under review and whether any concerns have been raised regarding the Company's financial statements, internal controls and the audits thereof. The Committee shall be apprised promptly of any material developments in connection with this inspection.

11. Set clear hiring policies for employees or former employees of the independent auditor to help ensure the Company's compliance with the relevant *cooling off* periods set forth in Section 206 of SOX.
12. Review and discuss with the independent auditor the responsibilities, budget and staffing of the Company's internal audit function.

#### *Internal Audit*

13. Review and approve the appointment, replacement, reassignment, dismissal, performance and compensation of the General Auditor, who shall be accountable and functionally report to the Committee, with administrative reporting within the Company as approved by the Committee.
14. Review and approve the Internal Audit Department Charter and Plan at least annually.
15. Review the qualifications, organization structure and budget of the internal audit function at least annually.
16. Review the activities, scope, and effectiveness of the internal audit function.
17. Review any significant reports to management prepared by the internal audit department (including any management responses).

#### *Financial Reporting Process*

18. In consultation with the independent auditor, management and the internal auditors, review the integrity of the Company's financial reporting processes. In that connection, the Committee should obtain and discuss with management and the independent auditor reports from management and the independent auditor regarding:
  - (a) all critical accounting policies and practices to be used by the Company;
  - (b) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including material alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Company's management, the ramifications of the use of the

alternative disclosures and treatments, and the treatment preferred by the independent auditor;

(c) major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles;

(d) major issues as to the adequacy of the Company's internal controls, any special audit steps adopted in light of material control deficiencies, and the adequacy of disclosures about changes in internal control over financial reporting; and

(e) any other material written communications between the independent auditor and the Company's management.

19. Review periodically the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, if any, on the financial statements of the Company.

20. Review with the independent auditor (a) any audit problems or other difficulties encountered by the independent auditor in the course of the review or audit process, including any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management and (b) management's responses to such matters. Without excluding other possibilities, the Committee may wish to review with the independent auditor:

- any accounting adjustments that were noted or proposed by the independent auditor but were *passed* (as immaterial or otherwise),
- any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement and
- any *management or internal control* letter issued, or proposed to be issued, by the independent auditor to the Company.

#### *Internal Control*

21. Review and discuss with management, the General Auditor and the independent auditor the Company's internal controls, including, without limitation, the Company's internal controls over financial reporting, and management's response to internal control recommendations made by internal auditors or the independent auditor.

22. Receive reports about significant deficiencies or material weaknesses in internal controls over financial reporting.

23. Establish procedures for (a) receipt, retention and treatment of complaints received by the

Company regarding accounting, internal accounting controls, or auditing matters; potential violations of, or non-compliance with, legal and regulatory requirements; and potential violations of the Company's Supplemental Code of Ethics for the CEO and Senior Officers (the **Supplemental Code**); or alleged retaliation against employees who make reports concerning these matters and (b) the confidential and anonymous submission of concerns or complaints regarding the matters set out in (a).

24. To the extent required under Section 307 of SOX, receive attorney reports of credible evidence of a material violation of securities law or of a fiduciary duty or similar material violation.
25. Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Company's annual reports on Form 10-K and quarterly reports on 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.

#### *Risk and Compliance*

26. Review periodically any legal matter that could have a significant impact on the Company's financial statements unless otherwise addressed with the Board.
27. Monitor compliance with the Company's Code of Conduct (the **Code**), Supplemental Code and/or other internal policies and guidelines. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code and Supplemental Code. Review and, if relevant approve or ratify, reports and disclosures of related and affiliated party transactions, as applicable, under the Code. Review and approve, at the Committee's discretion, any request made by any officer or director for the waiver of the Code or a waiver of the Supplemental Code, applicable.
28. Discuss the Company's guidelines and policies with respect to risk assessment and risk management, the Company's major financial and other risk exposures and the steps management has taken to monitor and control such exposures. Without limiting the types of risk the Committee may review, the Committee shall oversee risk relating to the financial statements and financial reporting and controls; internal controls; legal, regulatory and compliance risks; information security and technology risks; privacy and data protection risks; and such other risks that the Board shall from time to time determine.



## **ANNUAL EVALUATION**

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including by reviewing the compliance of the Committee with this Charter, and report its conclusions to the Board. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any modifications to this Charter that the Committee considers necessary or appropriate. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.