

CORNERSTONE ONDEMAND, INC.

AUDIT COMMITTEE CHARTER

(As Last Amended on February 5, 2019)

PURPOSE

The purpose of the Audit Committee (the “**Audit Committee**”) of the Board of Directors (the “**Board**”) of Cornerstone OnDemand, Inc., a Delaware corporation (the “**Company**”), shall be to:

- Provide oversight of the Company’s accounting and financial reporting processes and the audit of the Company’s financial statements;
- Assist the Board in oversight of (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with legal and regulatory requirements, (iii) the qualifications, independence and performance of the Company’s independent registered public accounting firm (the “**Outside Auditor**”), (iv) the organization and performance of the Company’s internal audit function, and (v) the Company’s internal accounting and financial controls;
- Provide to the Board such information and materials as it may deem necessary to make the Board aware of significant financial matters that require the attention of the Board; and
- Oversee the management of risks associated with the Company’s financial reporting, accounting and auditing matters.

In furtherance of these purposes, the Audit Committee shall undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe.

The Audit Committee’s responsibility is one of oversight. The members of the Audit Committee are not employees of the Company, and they do not perform, or represent that they perform, the functions of management or the Outside Auditor. The Audit Committee relies on the expertise and knowledge of management, the Company’s internal auditor (the “**Internal Auditor**”) and the Outside Auditor in carrying out its oversight responsibilities. The management of the Company is responsible for preparing accurate and complete financial statements in accordance with generally accepted accounting principles (“**GAAP**”) and for establishing and maintaining appropriate accounting principles and financial reporting policies and satisfactory internal control over financial reporting. The Outside Auditor is responsible for auditing the Company’s annual consolidated financial statements and the effectiveness of the Company’s internal control over financial reporting and reviewing the Company’s quarterly financial statements. It is not the responsibility of the Audit Committee to prepare or certify the Company’s financial statements or guarantee the audits or reports of the Outside Auditor, nor is it the duty of the Audit Committee to certify that the Outside Auditor is “independent” under applicable rules. These are the fundamental responsibilities of management and the Outside Auditor.

MEMBERSHIP

The Audit Committee members shall be appointed by, and shall serve at the discretion of, the Board. The Audit Committee shall consist of at least three members of the Board. The Board may designate one member of the Audit Committee as its chair. The Audit Committee may form and delegate authority to subcommittees when appropriate. Members of the Audit Committee must meet the following criteria (as

well as any other criteria required by the Securities and Exchange Commission (the “SEC”), the Nasdaq Stock Market, Inc. Marketplace Rules (the “Nasdaq Rules”), or applicable law, or as established by the Board from time to time):

- Each member must be an independent director in accordance with (i) the audit committee requirements of the Nasdaq Rules and (ii) Rule 10A-3 of the Securities Exchange Act of 1934, as amended;
- Each member must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement, in accordance with the Audit Committee requirements of the Nasdaq Rules;
- At least one member must have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background resulting in such member’s financial sophistication, including a current or past position as a principal financial officer or other senior officer with financial oversight responsibilities; and
- At least one member must be an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K promulgated under the Securities Exchange Act of 1933.

RESPONSIBILITIES AND DUTIES

The responsibilities and duties of the Audit Committee shall include:

Review Procedures

- Reviewing the reports of management, the Internal Auditor and the Outside Auditor concerning the design, implementation and maintenance of the Company’s internal controls and procedures for financial reporting, including meeting periodically with the Company’s management, the Internal Auditor and the Outside Auditor to review their assessment of the adequacy of such controls, which assessment shall include any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, such controls and any special audit steps adopted in light of any material control deficiencies, and any fraud involving management or other employees with a significant role in such controls, and to review before release the disclosure regarding such system of internal controls required under SEC rules to be contained in the Company’s periodic filings and the attestations or reports by the Outside Auditor relating to such disclosure;
- Reviewing and providing oversight of the external audit by (i) reviewing the Outside Auditor’s proposed audit scope and approach, (ii) discussing with management and the Outside Auditor the financial statements and audit findings, including any significant adjustments, management judgments and accounting estimates, significant new accounting policies, the effect of regulatory and accounting initiatives and off-balance sheet structures and any other required communications described in applicable accounting standards, (iii) reviewing with management and the Outside Auditor any audit problems or difficulties encountered by the Outside Auditor in the course of its audit work, including any restrictions on the scope of the auditor’s activities or on access to requested information, any significant disagreements with management and management’s response to these problems, difficulties or disagreements, (iv) reviewing with the Outside Auditor the Company’s critical accounting policies and practices used by management, all alternative treatments of financial information within GAAP that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments, the treatment preferred by the Outside Auditor, and other material written communications between the Outside Auditor and management, such as any management letter or schedule of unadjusted differences, and (v) reviewing reports submitted to the Audit Committee by the Outside Auditor in accordance with applicable SEC requirements;

- Reviewing and approving the annual internal audit project plan and any proposed changes and reviewing periodic reports summarizing results of the internal audit projects;
- Reviewing and discussing with management and the Outside Auditor the annual audited financial statements and quarterly unaudited financial statements, including the Company’s disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” to be included in the Company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, respectively, and the form of audit opinion to be issued by the Outside Auditor on the financial statements to be included in the Company’s Annual Report on Form 10-K, prior to filing with the SEC;
- Recommending to the Board, if deemed appropriate, that the audited financial statements be included in the Company’s Annual Report on Form 10-K, in accordance with the rules and regulations of the SEC;
- Directing the Outside Auditor to review before filing with the SEC the Company’s interim financial statements included in Quarterly Reports on Form 10-Q, using professional standards and procedures for conducting such reviews;
- Conducting a post-audit review of the financial statements and audit findings, including any suggestions for improvements provided to management by the Internal Auditor or the Outside Auditor, and management’s response to such suggestions;
- Reviewing, prior to announcement, Company press releases, including earnings press releases, and other disclosures containing financial information for the purpose of ensuring that such press releases and other disclosures properly disclose financial information presented in accordance with GAAP and, to the extent non-GAAP information is included, adequately disclose how such non-GAAP information differs from the comparable GAAP information and ensure that disclosure of such non-GAAP information is not given undue prominence and that such non-GAAP information does not provide a misleading presentation of the Company’s results of operations or financial condition;
- Providing oversight of the Company’s risk assessment and risk management guidelines and policies, including its investment policies, and reviewing such policies on an annual basis;
- Reviewing, approving and overseeing transactions between the Company and any related person (as defined in Item 404 of Regulation S-K) on an ongoing basis and in accordance with the Company’s policies and procedures, and reporting any such transactions that are material to the full Board;
- Reviewing, in conjunction with counsel, any legal matters that could have a significant impact on the Company’s financial statements;
- Reviewing this Charter and the Audit Committee’s processes on an annual basis; and
- Reviewing and assessing the performance of the Audit Committee on an annual basis.

Outside Auditor

- Having sole authority over appointing, compensating, retaining, overseeing and evaluating the work of the Outside Auditor and any other registered public accounting firm employed by the Company (including resolving disagreements between management and the Outside Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;

- Reviewing the independence of the Outside Auditor, including (i) obtaining on a periodic basis a written statement from the Outside Auditor delineating all relationships and services with the Company or any of its subsidiaries that may impact objectivity and independence of the Outside Auditor, as defined by applicable standards and SEC requirements, and discussing with the Outside Auditor its objectivity and independence and taking, or recommending that the Board take, appropriate action to oversee the independence of the Outside Auditor, (ii) presenting this statement to the Board, and (iii) to the extent there are relationships, monitoring and investigating them;
- Receiving and reviewing annually a report by the Outside Auditor describing (i) the firm’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 (“**PCAOB**”) review of the Outside Auditor, or by any other inquiry or investigation by governmental or professional authorities within the preceding five years regarding one or more independent audits carried out by the Outside Auditor, and any steps taken to deal with any such issues; and any other required reports from the Outside Auditor;
- Reviewing and evaluating the lead partner of the Outside Auditor and ensuring the rotation of the lead audit and concurring partners as required by SEC rules and regulations;
- Reviewing and discussing with the Outside Auditor any other matters required to be discussed by *PCAOB Auditing Standards No. 1301, Communications with Audit Committees*, including, without limitation, the Outside Auditor’s evaluation of the quality of the Company’s financial reporting, information relating to significant unusual transactions and the business rationale for such transactions, and the Outside Auditor’s evaluation of the Company’s ability to continue as a going concern;
- Pre-approving audit and permissible non-audit services provided to the Company by the Outside Auditor, except where pre-approval is not required because such non-audit services are de minimis under the rules of the SEC, in which case subsequent approval may be obtained. The Audit Committee may delegate to one or more designated members of the Audit Committee the authority to pre-approve audit and permissible non-audit services, provided such pre-approval decisions are presented to the full Audit Committee at its scheduled meetings; and
- Setting hiring policies for the Company with regard to employees and former employees of the Outside Auditor.

Internal Audit

- Reviewing and approving the selection of the Internal Auditor, which auditor may consist of outsourced personnel;
- Reviewing the activities, organizational structure and qualifications of the internal audit function; and
- Reviewing periodically with the Internal Auditor any issues encountered in the course of the internal audit function’s work.

Regulatory Compliance and Other Matters

- Overseeing compliance with the requirements of the SEC for disclosure of Outside Auditor’s services and Audit Committee members, member qualifications and activities;
- Reviewing management’s monitoring of compliance with the Foreign Corrupt Practices Act;

- Providing a report for inclusion in the Company's proxy statement in accordance with the rules and regulations of the SEC; and
- Establishing procedures for receiving, retaining and treating complaints received by the Company regarding accounting, internal accounting controls or auditing matters and procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

AUTHORITY

In addition to the powers and authority required to fulfill the responsibilities and duties set forth herein, each member of the Audit Committee shall have full access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by any member of the Audit Committee to discharge his or her responsibilities hereunder. The Audit Committee shall have authority to require that any of the Company's personnel, counsel, accountants (including the Outside Auditor and the Internal Auditor) or investment bankers, or any other consultant or advisor to the Company, attend any meeting of the Audit Committee or meet with any member of the Audit Committee or any of its special, outside legal, accounting or other, advisors or consultants.

MEETINGS

The Audit Committee shall meet at least once each fiscal quarter. The Audit Committee may meet either in person or telephonically, and at such times and places as the Audit Committee determines. The Audit Committee may establish its own meeting schedule, which it shall provide to the Board. The Audit Committee may invite to its meetings other Board members, Company management and such other persons as the Audit Committee deems appropriate in order to carry out its responsibilities. The Audit Committee may also act by unanimous written consent of its members (including electronic consent).

The Audit Committee shall meet separately with the Chief Executive Officer and separately with the Chief Financial Officer of the Company at such times as it deems appropriate to review the financial affairs of the Company. The Audit Committee shall meet separately with the Outside Auditor of the Company and separately with the head of the internal audit function, at such times as it deems appropriate, but not less than annually.

MINUTES

The Audit Committee shall maintain written minutes of its meetings, which minutes shall be filed with the minutes of the meetings of the Board.

REPORTS

The Audit Committee shall make regular reports to the full Board on the actions and recommendations of the Audit Committee.

COMPENSATION

Members of the Audit Committee shall receive such fees, if any, for their service as Audit Committee members as may be determined by the Board, or to the extent the Board has delegated such authority, by the Compensation Committee of the Board.

Members of the Audit Committee may not receive any compensation from the Company except the fees that they receive for service as a member of the Board or any committee thereof.

The Outside Auditor and any other registered public accounting firm employed by the Company shall report directly to the Audit Committee. In addition, the Audit Committee may engage independent counsel or other advisors as it deems necessary or appropriate to carry out its duties. The Company shall provide appropriate funding, as determined by the Audit Committee, to pay the independent auditor, any outside advisors hired by the Audit Committee and any administrative expenses of the Audit Committee that are necessary or appropriate in carrying out any of the responsibilities and duties set forth above.
