



ContextLogic Inc. (d/b/a “Wish”)

Audit Committee Charter

(as adopted by the Board of Directors on November 16, 2020 and effective as of the date of approval)

A. Purpose

This Charter sets forth the composition, authority, and responsibilities of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of ContextLogic Inc. (the “**Company**”). The purpose of the Committee shall be to assist the Board with its oversight responsibilities relating to the Company’s financial accounting, internal controls, reporting, and compliance, which may include monitoring:

- The quality and integrity of the Company’s financial statements, accounting principles, reporting, processes, and related disclosures;
- The effectiveness of the Company’s internal audit function, as applicable, disclosure controls and procedures, and internal controls over financial reporting;
- The Company’s compliance with legal and regulatory requirements, and internal policies regarding ethical conduct;
- The audits of the Company’s financial statements and the independent auditor’s appointment, compensation, qualifications, independence, and performance;
- The Company’s material financial policies and actions, including tax planning, treasury policies, currency exposures, and repurchases; and
- The Company’s major risk exposures, including financial, operational, legal, regulatory, infrastructure, business continuity, security, data privacy, reputational, and cybersecurity risks.

The Committee has the authority to undertake the specific duties and responsibilities listed below and will have the authority to undertake such other specific duties as the Board from time to time prescribes. Consistent with these functions, the Committee will encourage continuous improvement of, and foster adherence to, the Company’s policies, procedures, and practices at all levels.

B. Composition

1. **Membership, Qualifications, and Appointment.** The Committee will consist of at least three (3) members of the Board who meet the following criteria (in each case to the extent that such requirements are effective from time to time), with the exact number determined by the Board:

- Subject to any phase-in allowances, each member will be an independent director in accordance with the applicable rules of The Nasdaq Global Market (“**Nasdaq**”) and the rules of the Securities and Exchange Commission (“**SEC**”);
- Each member will be able to read and understand fundamental financial statements, in accordance with the applicable rules of Nasdaq;
- At least one member will have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibilities, in accordance with the applicable rules of Nasdaq;
- At least one member will be an “audit committee financial expert” in accordance with the applicable rules of Nasdaq and the SEC;
- Each member will be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member; and
- No member of the Committee may have participated in the preparation of the Company’s or any of its subsidiaries’ financial statements during the past three years.

The Board shall designate one member of the Committee as the Committee’s Chairperson. The Board retains the sole authority to appoint and remove each member of the Committee. Each member shall serve until his or her resignation, retirement, or removal by the Board, and the Board may request that the member continue to serve until his or her successor is appointed. The Board may remove any member of the Committee at any time with or without cause. Resignation or removal of a Committee member from the Board for any reason will automatically constitute resignation or removal from the Committee. The Company does not limit the number of public company audit committees on which a member serves, but if a member does serve on more than two other public company audit committees, the Board must have determined that this simultaneous service would not impair the member’s ability to serve on the Company’s audit committee, and the Company must disclose this determination in its proxy statement for its annual meeting.

C. Responsibilities and Duties

The Committee believes that the Company’s policies and procedures should remain flexible in order to best react to changing conditions and circumstances. The following list includes the Committee’s main recurring responsibilities. This list is intended as a guide, with the understanding that the Committee can supplement it as appropriate, consistent with the requirements of the SEC and Nasdaq. The responsibilities and authority of the Committee shall include:

1. Financial Disclosure Processes and Internal Controls

- *Disclosure Controls and Procedures.* Reviewing periodically, with the Company’s management and independent auditors, the Company’s financial reporting processes and disclosure controls and procedures, including the Company’s policies and procedures designed to assure that information required to be disclosed in its periodic public reports is accurately reported within the time periods specified by the SEC.

- Internal Controls. Reviewing and discussing with management and the independent auditor the design, implementation, and maintenance of the Company's internal controls, including the adequacy and effectiveness, significant deficiencies or material weaknesses in those controls reported by the independent auditor or management and any special audit steps adopted in light of any material control deficiencies, and any fraud, whether or not material, that involves management or other Company employees who have a significant role in the Company's internal controls. The Committee will also 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 independent auditors relating to such disclosure.
- Internal Audit. Reviewing at least annually the need for, and desirability of, implementing an internal audit department within the Company. In this capacity, the Committee will have the primary authority to define the structure, staffing, activities, and reporting relationships of such internal audit function.

2. Engagement and Oversight of Independent Auditors

- Independent Auditor. Appointing, retaining, compensating, and when necessary, terminating the engagement of, the independent auditors. The Committee may, in its discretion, seek stockholder ratification of the independent auditor it appoints. The independent auditors shall report directly to the Committee, and the Committee shall have the sole authority to approve the hiring, compensation, retention, evaluation, oversight of work, and firing of the independent auditors.
- Pre-Approve Audit and Non-Audit Services and Fees. Pre-approving audit and permissible non-audit services provided to the Company by the independent auditors (or subsequently approving non-audit services in those circumstances where a subsequent approval is permissible). In carrying out this responsibility, the Committee may establish policies and procedures for the review and pre-approval of audit and permitted non-audit services, including delegation of this authority to one or more members of the Committee, provided that such pre-approval decision is presented to the full Committee at its next scheduled meeting.
- Audit Plan. Meeting with the Company's independent auditors to review and discuss:
 - their annual audit plan, including the scope, proposed procedures, fees, timing, and staffing;
 - the results of the annual audit examination;
 - the results of the independent auditors' procedures with respect to interim periods;
 - the reasonableness of judgments and estimates used in preparing the financial statements, including assumptions made and the completeness of the related disclosures;

- critical accounting policies and practices used by the Company, including in particular any significant changes in the Company’s selection or application of accounting principles;
 - alternative accounting treatments (i.e., principles or estimates) within generally accepted accounting principles (“GAAP”) related to material items that have been discussed with management, including the ramifications of the use of the alternative treatments and the treatment preferred by the independent auditors; and
 - other material written communications between the independent auditors and management, including all of the matters required to be discussed pursuant to the requirements of the PCAOB.
- Audit Report. Obtaining and reviewing at least annually a report by the Company’s independent auditors describing the independent auditors’ internal quality-control procedures; any material issues raised by the most recent internal quality-control review or PCAOB or peer review, of the independent auditors, or by any inquiry or investigation by any governmental or professional authority, within the preceding five years, regarding any independent audit performed by the independent auditor; and any steps taken to deal with any such issues.
 - Independent Auditor Evaluation. Overseeing the qualifications and performance of the independent auditor and: (i) obtaining and reviewing a formal written statement from the independent auditor delineating all relationships between the independent auditor and the Company that may impact independence and (ii) reviewing and discussing with the independent auditor any disclosed relationships or services that may impact the objectivity and independence of the independent auditor. After overseeing the independent auditor’s work throughout the audit period and reviewing their reports as provided above, the Committee will conduct an annual evaluation of the independent auditors’ qualifications, performance, and independence. This evaluation shall include a review and evaluation of the lead audit partner, and evaluation of such other matters as the Committee may consider relevant to the engagement of the independent auditors
 - Oversight of Auditor Activities. Reviewing periodically with the independent auditors any problems or difficulties encountered by the independent auditors in the course of performing any audit work, including management’s response thereto, any restrictions on the scope of the independent auditor’s activities or access to requested information, and assisting with the resolution of any significant disagreements with management. The Committee is expected to maintain free and open communication with the independent auditor, any internal auditors, if applicable, and management.

3. Financial Reporting and Other Disclosures

- Periodic Reports. Reviewing with management and the Company’s independent auditors, before filing or release (as applicable):
 - the Company’s annual report on Form 10-K, including the audited financial statements and Management’s Discussion and Analysis (“MD&A”);

- the Company's quarterly reports on Form 10-Q, including the unaudited interim financial statements and MD&A;
- the Company's earnings announcements or financial releases and earnings guidance;
- any other material financial information incorporated in the Company's regulatory filings, including but not limited to, registration statements to be filed under the Securities Act of 1933; and
- any required certification or attestations of management or the Company's internal auditors.
- Disclosure Requirements. Overseeing compliance with the disclosure requirements of the SEC regarding auditors' services and audit committee members, member qualifications, and activities.
- Proxy Reports. Preparing any report required to be prepared by it for inclusion in the proxy statement of the Company under SEC rules and regulations.

4. Risk Management, Related Party Transactions, Compliance, and Other Responsibilities and Authority

- Risk Management. Discussing periodically guidelines and policies governing the process by which management and other persons responsible for risk management assess and manage the Company's exposure to risk, as well as the Company's major financial risk exposures, including operational, legal, regulatory, infrastructure, business continuity, security, data privacy, reputational, and cybersecurity risks, based on consultation with the Company's management, independent auditors, and counsel.
- Establish and Oversee an Ethics Hotline. Establishing procedures for the receipt, retention, investigation, and treatment of complaints received by the Company regarding questionable accounting, internal accounting controls, or auditing matters, and potential violations of the Code of Conduct and Ethics. Ensuring the ability of employees to make confidential, anonymous submissions to the Company regarding such concerns.
- Review of Related Person Transactions. Reviewing and approving all related party transactions in accordance with the applicable rules of Nasdaq and the SEC, the Related Party Transaction Policy, and any related policies and procedures adopted by or on behalf of the Company and then in effect.
- Review of Code of Conduct and Ethics. Reviewing, approving at least annually, and monitoring the Code of Conduct and Ethics for the Company in accordance with the applicable rules of Nasdaq and the SEC, including any waivers of the Code of Conduct and Ethics for any directors and officers.
- Anti-Corruption and Anti-Bribery Review. Reviewing and monitoring the Company's compliance with anti-corruption and anti-bribery law in all jurisdictions in which it operates.

- Investigations. Directing, overseeing, and/or delegating, as appropriate, any investigations into concerns under the Company's Whistleblower Policy.
- Regulator Discussions. Discussing with management and the independent auditors any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.
- Charter Review. Reviewing the adequacy of the Committee's own Charter, structure, processes, performance, and membership requirements, at least on an annual basis.
- Calendar Checklist. Preparing and periodically updating an annual calendar and checklist for the Committee's responsibilities and authority.
- Board Reporting. Reporting regularly to the full Board, including with respect to any issues that arise with respect to the quality or integrity of the Company's financial statements, the effectiveness of the Company's internal controls or disclosure procedures, the performance and independence of the Company's independent auditors, or any other issue that the Committee believes should be brought to the attention of the full Board. Such reports may be made orally or in writing.
- Other Compliance Matters. Performing such other duties as may be necessary or desirable to comply with the applicable laws, rules and regulations promulgated under the Sarbanes-Oxley Act, or by the SEC, Nasdaq, or any other applicable governmental agency, if such duties are customarily assigned to the audit committee or requested by the Board.

In addition to the responsibilities and duties expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities consistent with this Charter, the purposes of the Committee, the Company's bylaws, and applicable rules of Nasdaq and the SEC.

D. Meetings and Procedures

- 1. Meetings.** The Committee will establish its own schedule and will meet at least one (1) time each fiscal quarter. The CEO shall be notified of the Committee's meeting schedule and the agenda of each meeting. The Committee shall maintain written minutes of its meetings, which shall be filed with the minutes of the meetings of the Board. The Committee shall be governed by the same rules regarding meetings (including meetings in person or by telephone, teleconference, videoconference, or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.
- 2. Attendees.** The CEO may attend each Committee meeting. The Committee may invite to its meetings any director, officer, or employee of the Company and such other persons as it deems appropriate to carry out its responsibilities. The Committee may meet separately with members of the Company's management and the Company's independent auditors at such times as the Committee deems appropriate. The Committee may also meet in executive sessions. The general counsel has express authority to communicate personally at any time with the Chairperson of the Committee about compliance matters.

3. **Reporting to the Board.** Consistent with this Charter, the Committee shall report regularly to the Board with respect to the Committee’s activities and recommendations. The Committee may form subcommittees, and may delegate power and authority to such subcommittees, for any purpose that the Committee deems appropriate.
4. **Authority to Retain Advisors.** The Committee shall have the authority to engage independent legal, accounting, and other advisors, as it determines necessary to carry out its duties. The Committee shall be directly responsible for the appointment, compensation, retention, termination, and oversight of the work of such advisors. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable fees to any such advisor retained by the Committee. Any communications between the Committee and legal counsel while obtaining legal advice will be privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.
5. **Access to Information.** The Committee may conduct or authorize investigations into or studies of matters within the Committee’s scope of responsibility with full access to all books, records, facilities, and personnel of the Company.
6. **Compensation.** Members of the Committee shall receive such fees, if any, for their service as Committee members as may be determined by the Board. Such fees may include retainers or per meeting fees and shall be paid in such form of consideration as is determined by the Board. Members of the 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 and reimbursement for reasonable expenses.

E. Limitation of Committee’s Role

The Committee’s responsibilities are principally of an oversight nature. Although the Committee has the responsibilities set forth in this Charter, it is not the responsibility of the Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosures are accurate, complete, and stated in accordance with GAAP and other applicable rules and regulations. These are the responsibilities of the Company’s management and independent auditors, and the Committee shall rely on their expertise and knowledge in carrying out its oversight responsibilities.

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