

**PLANETOUT INC.
CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS**

PURPOSE

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of PlanetOut Inc., a Delaware corporation (the "Company"), shall be to assist the Company's Board of Directors in its oversight of: (i) the Company's corporate accounting and financial reporting practices and audits of the financial statements; (ii) the Company's compliance with legal and regulatory requirements; (iii) the quality and integrity of the Company's financial statements; (iv) the independent auditors' engagement; qualifications, independence and performance; and (v) the performance of the Company's internal audit function. The Committee shall prepare a report to be included in the Company's annual proxy statement as required by the Securities and Exchange Commission ("SEC").

The policy of the Committee, in discharging these obligations, shall be to maintain and foster an open avenue of communication between the Committee, the independent auditors, and the Company's financial management.

COMPOSITION

The Committee shall consist of at least three (3) members of the Board of Directors. Each member of the Committee shall satisfy the independence and financial literacy requirements of the applicable laws, the SEC and the Nasdaq Stock Market, Inc. ("Nasdaq"). At least one member shall be a "financial expert" as mandated by the applicable laws, the SEC and the Nasdaq financial experience requirements.

The members of the Committee shall be appointed by the Board of Directors and serve at the Board's discretion. Vacancies occurring on the Committee shall be filled by the Board. The Committee's chairperson shall be designated by the Board or, if it does not do so, the Committee members shall elect a chairperson by vote of a majority of the full Committee.

MEETINGS AND MINUTES

The Committee shall hold such regular or special meetings as its members shall deem necessary, but shall meet at least four (4) times a year. The Chief Executive Officer, Chairman of the Board and Chief Financial Officer may attend any meeting of the Committee, except for portions of the meetings where his or their presence would be inappropriate, as determined by the Committee. Minutes of each meeting will be prepared and distributed to each member of the Committee, members of the Board who are not members of the Committee and the Secretary of the Company. The chairperson of the Committee will report to the Board from time to time, or whenever so requested by the Board.

AUTHORITY AND RESPONSIBILITIES

The operation of the Committee shall be subject to the Bylaws of the Company as in effect from time to time and Section 141 of the Delaware General Corporation Law.

The Committee shall have full access to all books, records, facilities and personnel of the Company as deemed necessary by any member of the Committee in fulfilling his or her responsibilities. The Committee shall have authority to retain, at the Company's expense, special legal, accounting or other advisors or consultants as it deems necessary or appropriate in the performance of its duties. The Committee shall have authority to require the Company's personnel, counsel, independent auditors, investment bankers, or advisors attend any meeting of the Committee or meet with any member of or advisor to the Committee.

In furtherance of the Committee's purpose, it shall have the following duties and responsibilities:

Oversight of Financial Disclosure Matters

- *Financial Statements Review and Discussion* - To discuss with management and the independent auditor the annual audited financial statements and quarterly financial statements of the Company, including the Company's disclosures under the Management's Discussion and Analysis of Financial Condition and Results of Operations in its periodic reports to be filed with the SEC and other matters required to be reviewed by applicable laws, regulations, the SEC or the Nasdaq.
- *Annual Financial Statements* - To review, upon completion of the audit, the financial statements proposed to be included in the Company's Annual Report to be filed with the Securities and Exchange Commission and to recommend whether or not such financial statements should be so included.
- *Earnings Releases; Non-GAAP Financial Information* - To discuss with management and the independent auditor, as appropriate, the types of information and presentation to be made in the Company's earnings press releases, including the use of "pro forma" and "adjusted" non-GAAP information, as well as the financial information and earnings guidance provided to analysts and to rating agencies.
- *Annual Report and Proxy Statement* - To review and approve disclosures required by the rules of the SEC to be included in the Company's annual report and to prepare a report required by the rules of the SEC to be included in the Company's annual proxy statement.
- *Risk Management* - To review and discuss the Company's risk assessment and risk management policies, including Company's major financial risk exposures and steps taken by management to monitor and mitigate such exposures.

Oversight of the Relationship with the Independent Auditors

- *Retention of Auditors* - To retain sole authority to appoint, retain, compensate, evaluate and terminate the Company's independent auditors, including sole authority to approve all audit engagements fees and terms, as well as all non-audit engagements with independent auditors.
- *Scope of Audit* - To review and discuss with the independent auditor audit plans, and procedures, including scope, fees and timing.
- *Auditor's Report* - To obtain and review at least annually a report by the independent auditors describing: (i) the firm's internal quality control procedures; (ii) any

material issues raised by the most recent internal quality-control review, peer review or inspection of the 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 the firm, and any steps taken to deal with any such issues; (iii) the relationship between the independent auditor and the Company, including whether any non-audit services comply with the applicable law and regulations and are also compatible with maintaining the auditor's independence; (iv) procedures adopted to ensure that permitted non-audit services will not be provided to the Company unless pre-approved by the Committee; and (v) procedures adopted to ensure that independent audit partner rotation and conflicts of interest practices (with respect to the audit of the Company's financial statements), as well as the content and timeliness of communications to the Committee, comply with applicable laws and regulations.

- *Critical Accounting Policies* - To review and discuss with the independent auditors (i) all critical accounting policies used by the Company and (ii) alternative accounting treatment within generally accepted accounting principals related 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 auditor.
- *Audit Difficulties* - To review with independent auditors (i) any accounting adjustments that were noted or proposed by auditor, but where no action was taken; (ii) any communications between the audit team and the audit firm's national office regarding the audit; (iii) any management or internal control letter issued or proposed by the audit firm to the company; and (iv) and any significant disagreements with management (including any restriction on the scope of the independent auditor's activities or access to information).
- *Auditor Qualifications* - To evaluate the qualifications, performance and independence of the independent auditors, including an evaluation of the auditing firm's lead partner. In furtherance of this responsibility, to adopt, as necessary, policies regarding the rotation of the independent auditing firm's lead partner and regarding hiring employees or former employees of the independent auditors and, when appropriate, the rotation of the independent auditing firm and to present its conclusions to the full Board of Directors.

Oversight of the Internal Audit Function

- *Annual Audit* - To review the annual audit plans of the finance department.
- *Oversight of Finance Department* - To review the activities, organizational structure, budget and qualifications of the finance department.
- *Review with Auditors* - To review with the independent auditors the finance department responsibilities, budget and staffing, and any changes required in the planned scope of the audit.

Other Governance Responsibilities

- *Outside Experts* - To retain such outside counsel, experts and other advisors as the Committee may deem appropriate, in its sole discretion, including the sole authority to approve related fees and retention terms.

- *Complaints Procedures* - To establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- *Meetings with Auditors and Management* - Periodically, to meet separately with the independent auditors and management.
- *Reports* - To report regularly to the Board of Directors and to prepare a report for inclusion in the Company's annual proxy statement.
- *Charter and Committee Review and Self-Assessment* - To review annually the performance of the Committee and review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.
- *Investigations* - To investigate any matter brought to the attention of the Committee within the scope of its duties if, in the judgment of the Committee, such investigation is necessary or appropriate.
- *Miscellaneous* - To perform such other functions and to have such powers as may be necessary or appropriate in the efficient and lawful discharge of the foregoing.

It shall be the responsibility of management to prepare the Company's financial statements and the responsibility of the independent auditors to audit those financial statements. These functions shall not be the responsibility of the Committee, nor shall it be the Committee's responsibility to ensure that the financial statements or periodic reports are complete, accurate, conform to generally accepted accounting principals or comply with applicable laws.