

Instagram Reels Assurance Audit Report

Company confidential - for intended recipients only

Martin Schneider

Anna Tchernina

Christophe [REDACTED]

Yanan [REDACTED]

Pratima [REDACTED]

November, 2021



HIGHLY CONFIDENTIAL (ATTORNEY'S EYES
ONLY)

METANMAG-168-00000035

PLTF EX-04330_0001



TABLE OF CONTENTS

1. Executive Summary
2. Detailed Results and Management Action Plan
3. Appendix
 - Communication Channels
 - Audit Report Rating Guidelines
 - Observation Remediation Guidelines

Company confidential – for intended recipients only

2

HIGHLY CONFIDENTIAL (ATTORNEY'S EYES
ONLY)

METANMAG-168-00000036

PLTF EX-04330_0002

EXECUTIVE SUMMARY

Objective:

Instagram (IG) Reels provides users with the ability to create short-form videos that can be discovered by a wide range of unconnected viewers. As Meta focuses on competing in the short-form video market and incentivizes creators to produce original content, Reels has become one of the top priorities for the company. IG teams implemented a series of controls to detect and enforce on policy-violating and low-quality content, enable music and video sharing in compliance with licensing rights, and provide a safe and healthy platform for users. In 2022, all new videos created by users will be leveraging Reels. Given its significance, Internal Audit (IA) partnered with IG Reels cross-functional teams to perform an assurance audit.

Scope:

IA assessed the design and operating effectiveness of controls in the following areas :

- **Ads Revenue:** SOX readiness controls, including ads delivery and logging.
- **Content Integrity:** filtering and reduction of the distribution of problematic, low-quality, and un-original content. Note that the Community Standards and Content Monetization policies are out of scope for this audit.
- **Key Product Features:** usage of audio library, audio attribution, wellbeing (i.e., youth safety, comments), and content sharing restrictions.
- **Metrics and Monitoring:** accuracy and monitoring of key product metrics (e.g., new producers participation rate)*.

**Note: Metrics and related goal-setting processes significantly impacted by ongoing Reels initiatives were out of scope for this audit (i.e. product cannibalization, consumption)*

Results Summary: Significant improvements needed

Overall, while IG Reels has generally implemented the SOX controls required for ad products, several areas in content integrity and product features need significant improvements. IA identified 4 High risk, 20 Medium risk, and 3 Low risk observations during the audit. Based on the overall health of the processes, an “Orange” rating was assigned to this report. Key observation themes are summarized as below:

- Insufficient misinformation measurement and monitoring.
- Insufficient monitoring for private content viewed by unconnected users, content trends, and demotion model performance.
- Insufficient reduction of interactions between minors and potential child safety violators.
- Non-compliant use of music by restricted business accounts or within unlicensed regions.

Company confidential – for intended recipients only

3

HIGHLY CONFIDENTIAL (ATTORNEY’S EYES
ONLY)

METANMAG-168-00000037

PLTF EX-04330_0003

DETAILED RESULTS AND MANAGEMENT ACTION PLANS

Business Area	Observation/Risk Description	Rating	Management Action Plan	Due Date	Owner
IG Recommendation Guidelines	Insufficient Measurement and Monitoring of Misinformation on Reels Surface	High	1. Perform an assessment to identify proper measurement for misinformation (e.g., prevalence, review rate) and determine a reasonable monitoring threshold for IG Reels.	1. 1/31/2022	Glenn ██████████ (Engineering Manager(EM), IG Well-being (IGWB) Accurate Info)
	The IG Wellbeing Accurate Information team has not established measurement and monitoring for misinformation on Reels. As a result, Reels content with potential misinformation may not be adequately enforced.		2. Establish monitoring based on the newly defined metrics.	2. 3/31/2022 *	
	For example, potential misinformation contents reported by users have low 3PFC enqueue and review rates for IG Reels. Out of all user-reported contents for misinformation, the 7-day average for IG overall enqueue rate is 2.3%. The 7-day average for IG overall review rate compared to enqueued is 3.2%, and IG Reels is 0.4%.				

* Due to complexity of defining an appropriate measurement for misinformation, the IGWB Accurate Info team and the CI team have requested a 60-day extension to IA's standard 60-day remediation guideline for High risk observations.

DETAILED RESULTS AND MANAGEMENT ACTION PLANS

Business Area	Observation/Risk Description	Rating	Management Action Plan	Due Date	Owner
Recommendability	Private Reels Surfaced to Unconnected Users The IG Reels Product team has not documented the decision and mitigations related to the logging and monitoring of private Reels viewed by unconnected users. As a result, privacy risks associated with user settings may not be identified timely or enforced appropriately. For example, on a sample date, after considering the 12-hour caching time, 1.4 % of VPVs on private Reels are viewed by unconnected users. 3.75% of private accounts with Reels VPVs were impacted.	High	1. Document a privacy decision related to monitoring criteria and cache TTL for IG Reels tab. 2. Investigate the exceptions identified, make remediation plan and implement the plan. 3. Establish monitoring and alert over the invalid media percentage.	1. 12/31/2021 2 & 3. 2/28/2022*	Jennifer [REDACTED] (Privacy Program Manager) Wai [REDACTED] (Software Engineer(SE))

* Due to the timeline required for privacy review and complexity of investigation, the Privacy team and the IG Reels Product team has requested a 1-month extension to IA's standard 60-day remediation guideline for High risk observations.

DETAILED RESULTS AND MANAGEMENT ACTION PLANS

Business Area	Observation/Risk Description	Rating	Management Action Plan	Due Date	Owner
Wellbeing	Potential Violators Able to Interact with Unconnected Minors The IG Wellbeing team does not sufficiently enforce bi-directional filtering between minors and potential violators on recommendation surfaces. As a result, the potential violators may bring harm to minors through the Reels surface. On a sampled day tested, 1) Minors and potential violators can view and reply to comments from each other on a third user's Reels. 2) Minors can see and view Reels created by potential violators on the unconnected surfaces (i.e., Explore and Reels tab) and vice versa. Out of all VPs made by potential violators, 12.23% were on unconnected minors (i.e., not friend, follower, or followee). The percentage is 0.37% vice versa.	High	1. Investigate the exceptions identified and make the plan for remediation. 2. Execute the remediation plan accordingly. Establish monitoring and alert using internal standards.	1/31/2022	Haoyang [REDACTED] (SE, IGWB Teen Safety Team) Mingliang [REDACTED] (Data Scientist (DS), Analytics Instagram Well-being DS Team)

Company confidential - for intended recipients only

6

HIGHLY CONFIDENTIAL (ATTORNEY'S EYES ONLY)

METANMAG-168-00000040

PLTF EX-04330_0006

DETAILED RESULTS AND MANAGEMENT ACTION PLANS

Business Area	Observation/Risk Description	Rating	Management Action Plan	Due Date	Owner
IG Recommendation Guidelines	Insufficient Identification and Monitoring of Trends	High	1. Determine how the current trend identification system owned by Relevance team can be used for integrity and wellbeing monitoring purposes, and establish the plan to include additional signals in H1 2022.	1. 1/31/2022	Ming [REDACTED] (EM, IG Relevance Integrity)
	The IG Relevance Integrity team does not adequately identify or monitor trends in Reels. As a result, potentially harmful Reels trends may get wide distribution, and the teams may not be able to intervene timely.		2. Enhance trend identification process and system. Establish metrics to monitor the healthiness of trend and prevalence. Establish comparison for trend identification between recommendation and integrity technologies.	2. 6/30/2022*	Martin [REDACTED] (EM, IG Reels Inspiration)
IG Recommendation Guidelines	Insufficient Monitoring Of Demotion Model Efficacy	Medium	Establish monitoring for key integrity model efficacy. Determine at which point model refresh is necessary.	3/31/2022	Ming [REDACTED] (EM, IG Relevance Integrity)
	The IG Relevance Integrity team does not monitor the efficacy (e.g., False Positive or Negative Rates) of the demotion model for objectionable content (e.g., regulated good, drugs, and violence). As a result, deteriorating model performance over time may go undetected.				Lucas [REDACTED] (Engineer, IG Relevance Integrity)

* Due to the complexity associated with implementation of trend identification and monitoring based on new inputs, the IG Relevance Integrity team has requested a 5-month extension to IA's standard 60-day remediation guideline for High risk observations.

Company confidential - for intended recipients only

HIGHLY CONFIDENTIAL (ATTORNEY'S EYES ONLY)

METANMAG-168-00000041

DETAILED RESULTS AND MANAGEMENT ACTION PLANS

Business Area	Observation/Risk Description	Rating	Management Action Plan	Due Date	Owner
IG Recommendation Guidelines	Undefined Goals For Misinformation Model Detection Rates	Medium	1. IGWB Accurate Info team & Surface team performs an analysis to determine the reason of low misinformation detection rate.	1 & 2. 3/31/2022	Glenn [REDACTED] (EM, IG Well-being Accurate Info)
	The IG Wellbeing Accurate Information team and the IG Reels Surface team have not worked with the Central Integrity Team to define a goal for the misinformation model detection rate on IG Reels or documented the roadmap for subsequent detection model enhancement. As a result, Reels content with misinformation may go undetected.		2. Central Integrity team works with Surface team to establish scoring standards for the new Misinformation Maturity Framework. Define the Maturity Level for Reels.	3. 6/30/2022*	Ece [REDACTED] (Project Manager, IG Feed & Stories Relevance)
			3. IGWB Accurate Info team collaborates with Central Integrity team to determine if Reels specific features need to be implemented for feature engineering in the existing model.		Nischal [REDACTED] (PM, CI)

* Due to the complexity of model update and feature engineering, the IGWB Accurate Info team and the CI has requested a 3-month extension to IA's standard 120-day remediation guideline for Medium risk observations.

DETAILED RESULTS AND MANAGEMENT ACTION PLANS

Business Area	Observation/Risk Description	Rating	Management Action Plan	Due Date	Owner
IG Recommendation Guidelines	Insufficient Monitoring of Demotion Model Input The IG Relevance Integrity team does not regularly monitor the importance of the inputs to the objectionable content demotion model (e.g., regulated good, drugs, and violence) to assess its reasonableness. As a result, significant changes in the importance of inputs may go undetected, leading to degraded model performance.	Medium	Establish monitoring over feature importance change, review model importance on a regular basis to identify significant increase and decrease, and determine if the change is expected.	3/31/2022	Ming [REDACTED] (EM, IG Relevance Integrity)
	Inadequate Intervention of Model Training Failure IG Relevance Integrity team has not planned for human intervention when the scheduled daily model training fails consecutively for a few days. As a result, the model may not be trained with the latest production data leading to unsatisfactory performance. For example, in July 2021, only 7 days out of 31 days had successful training. For the other days, the training data table was blacklisted due to upstream data availability issues that were not resolved.		1. Define the internal standard of when a human intervention should be initiated when model training fails consecutively. 2. Establish automated alert based on the internal standard.		

Company confidential - for intended recipients only

DETAILED RESULTS AND MANAGEMENT ACTION PLANS

Business Area	Observation/Risk Description	Rating	Management Action Plan	Due Date	Owner
Reels Quality Standards	Insufficient Monitoring Of Quality Model Performance The IG Recommendation Foundation team does not monitor the performance (e.g., Precision, Recall) of the Reels Quality Models. As a result, deteriorating model performance over time may go undetected.	Medium	Establish monitoring of key quality model performance. Determine at which point model refresh is necessary.	3/31/2022	Raymond [REDACTED] (SE, IG Recommendation Foundation)
Reels Quality Standards	Missing Owner for Text-Heavy Model The IG Recommendation Foundation team has not designated an owner for the Text-Heavy Model, or established a process for model maintenance. As a result, users may see excessive text-heavy content on Reels.	Medium	1. Determine if the model is continuously used by the Recommendation Team. 2. Establish and implement criteria for model training and performance.	1. 1/31/2022 2. 4/30/2022*	Raymond [REDACTED] (SE, IG Recommendation Foundation)

* Due to competing priorities, the IG Relevance Integrity team has requested a 1-month extension to IA's standard 120-day remediation guideline for Medium risk observations.

Company confidential - for intended recipients only

10

HIGHLY CONFIDENTIAL (ATTORNEY'S EYES ONLY)

METANMAG-168-00000044

PLTF EX-04330_0010

DETAILED RESULTS AND MANAGEMENT ACTION PLANS

Business Area	Observation/Risk Description	Rating	Management Action Plan	Due Date	Owner
Reels Quality Standards	Unmonitored Demotions	Medium	1. Assess the cost-benefit of different logging approaches and construct a plan for adding logging.	1. 1/31/2022	Raymond [REDACTED] (SE, IG Recommendation Foundation)
	The IG Recommendation Foundation team does not log the demotion multiplier (i.e., intensity) and volume for low quality content. As a result, the demotions applied cannot be measured or compared against the original expectation.		2. Implement the plan to add logging of demotion multiplier applied by the quality models on Reels video.	2. 4/30/2022*	Matthew [REDACTED] (SE, IG Recommendation Foundation)
Reels Quality Standards	Insufficient Prevalence Monitoring Of Non-genuine Reels	Medium	Establish composite metrics and set up a continuous monitoring dashboard.	2/28/2022	Raymond [REDACTED] (SE, IG Recommendation Foundation)
	The IG Recommendation Foundation team does not monitor the combined prevalence of non-genuine Reels videos across key quality areas (e.g. text-heavy, watermarked, with margins, static videos). As a result, non-genuine content may be recommended, discouraging users from creating original content using the Reels functions.				

* Due to competing priorities, the IG Relevance Integrity team has requested a 1-month extension to IA's standard 120-day remediation guideline for Medium risk observations.

Company confidential - for intended recipients only

11

HIGHLY CONFIDENTIAL (ATTORNEY'S EYES ONLY)

METANMAG-168-00000045

PLTF EX-04330_0011

DETAILED RESULTS AND MANAGEMENT ACTION PLANS

Business Area	Observation/Risk Description	Rating	Management Action Plan	Due Date	Owner
Reels Quality Standards	No Demotion on Blurry Content The IG Recommendation Foundation team does not have demotion for blurry content. As a result, this may lead to poor user experiences on Reels.	Medium	1. Establish a plan to build blurry content demotion. 2. Implement the demotion in production.	3/31/2022	Sulman [REDACTED] (Director, Software Engineering)
Content Library and Audio Attribution	Non-Compliant Use of Music By Restricted Business Accounts The IG Reels Product team does not consistently enforce Meta Inc. licensed music rules on restricted business accounts (e.g., Local Businesses, Brands & Products, Companies & Organizations). As a result, Meta Inc. may not comply with the licensing Terms and Conditions (T&C). For example, on a sample date, 29.8% of Reels created by restricted business accounts used licensed music from the audio library, which violates the T&C with the music partners.	Medium	1. Identify or establish a validate logging table of business category. 2. Ensure the licensed music restriction is applied to business accounts.	3/31/2022	Kevin [REDACTED], SM (IG Reels Audio Eng) Sara [REDACTED] (FB SE Music Partner Experience)

Company confidential - for intended recipients only

12

HIGHLY CONFIDENTIAL (ATTORNEY'S EYES ONLY)

METANMAG-168-00000046

PLTF EX-04330_0012

DETAILED RESULTS AND MANAGEMENT ACTION PLANS

Business Area	Observation/Risk Description	Rating	Management Action Plan	Due Date	Owner
Content Library and Audio Attribution	Unlicensed Use of Music in Various Countries The IG Reels Product and Music Partner Experience teams do not effectively prevent users from using or hearing a song in countries where it is not licensed to Meta Inc. As a result, Meta Inc. may not comply with the licensing T&Cs.	Medium	1. Perform investigation over the media able to use or hear music in countries where it is not licensed. 2. Implement monitoring on Reels to ensure country gating is working as intended.	3/31/2022	Kevin [REDACTED], SM (IG Reels Audio Eng) Sara [REDACTED] (FB SE Music Partner Experience)
Content Library and Audio Attribution	Insufficient Monitoring on Audio Type Data Field The IG Reels & Camera Data Engineering team does not monitor the value of the audio type data field (e.g., licensed song, remix, original song) within the IG media events table. As a result, any spike in invalid values would not be detected and investigated. For example, for a sample period from 31 days, null values in the audio type field exceeded the agreed-upon 3% internal threshold on 14 different days.	Medium	1. Implement monitoring on the audio type data field based on internal criteria. (i.e. "audio_type" in table of fct__ig_media_events table) 2. Establish investigation procedure when an alert is generated.	3/31/2022	Chau [REDACTED] (DE, IG Reels & Camera DE Team)

Company confidential - for intended recipients only

13

HIGHLY CONFIDENTIAL (ATTORNEY'S EYES ONLY)

METANMAG-168-00000047

PLTF EX-04330_0013

DETAILED RESULTS AND MANAGEMENT ACTION PLANS

Business Area	Observation/Risk Description	Rating	Management Action Plan	Due Date	Owner
Content Library and Audio Attribution	Missing Logging For Muted Downloaded Reels The IG Reels Audio Engineering team does not log whether a downloaded version of Reels is muted when the criteria for muting are met (e.g., using licensed music, longer than 15 seconds). As a result, IG cannot detect when users are downloading unmuted Reels against the license T&Cs.	Medium	Add a logging field of whether a Reels was muted when user download it.	3/31/2022	Kevin [REDACTED], SM (IG Reels Audio Eng)
Content Library and Audio Attribution	Insufficient Logging of Copyrighted Video and Audio The IG Reels Audio Engineering team does not log whether Reels are muted or blocked on the user phone due to copyright restrictions. As a result, the product team cannot validate if copyright restriction is working as expected on the surface.	Medium	1. IG Reels Audio Engineering team to add a logging field whether a Reels audio is muted at the mobile interface when the user is using the copyright audio. 2. IG Reels Audio Engineering team to add a logging field whether a Reels video is blocked when the user is using the copyright video, whose ownership is already claimed.	3/31/2022	Kevin [REDACTED], SM (IG Reels Audio Eng) Mihir [REDACTED] (SE, IG Reels Audio ENG)

Company confidential - for intended recipients only

14

HIGHLY CONFIDENTIAL (ATTORNEY'S EYES ONLY)

METANMAG-168-00000048

PLTF EX-04330_0014

DETAILED RESULTS AND MANAGEMENT ACTION PLANS

Business Area	Observation/Risk Description	Rating	Management Action Plan	Due Date	Owner
Audio Page	Reported Audio Page Not Reviewed The IG Surface Operations team does not review potential violating audio pages (e.g., IG page displaying all Reels associated with the same audio track) reported by users. As a result, offensive audio pages may not be properly enforced, leading to bad user experience. For example, IA uploaded 5 Reels samples, renamed the audios to offensive names, and reported the potential violations. 1 sample was marked as non-violating by the human reviewer, and the other 4 samples were not reviewed. Each of the 4 samples accumulated over 1000 VPV within a day.	Medium	1. Onboard Audio Page to the Central Ranker for human review prioritization 2. Monitor the review rate regularly against internal standards	3/31/2022	Twinkle [REDACTED] (IG Surface Operations) Ming [REDACTED] (SM Manager, IG Relevance Integrity)
Wellbeing	Lack of Monitoring Over Ineffective Block The IG Reels Engineering team does not monitor the percentage of exceptions in blocking Tags and @Mentions based on user settings. As a result, the team may not be able to act timely when the user settings are not honored.	Medium	1. IG Reels Engineering team to establish monitoring on Tag and @Mention settings to identify exceptions related to disabling function of Tag and @Mention.	1/31/2022	Charles Sismondo (EM, IG Well-being Bully Team)

Company confidential - for intended recipients only

15

HIGHLY CONFIDENTIAL (ATTORNEY'S EYES ONLY)

METANMAG-168-00000049

PLTF EX-04330_0015

DETAILED RESULTS AND MANAGEMENT ACTION PLANS

Business Area	Observation/Risk Description	Rating	Management Action Plan	Due Date	Owner
Wellbeing	Lack of Governance on IG Reels Comment Bullying and Offensive Audit Name Models The IG wellbeing team currently does not have standard governance processes for IG Reels comment bullying and offensive audio name models. Specifically, the following are missing: 1) Monitoring of anomalies for important features 2) Monitoring of model performance 3) Training, refreshing, and deprecating of production model As a result, non-maintenance of IG well-being bullying production ML models may result in models not performing as expected, which may cause bad comments not filtered/covered properly.	Medium	1. Transfer the models from IG Wellbeing team to Central Integrity (CI) team. 2. CI will develop feature store alerts to monitor the failure rates, and monitor production model performance through policy agnostic metrics.	1. 3/31/2022 2. 5/31/2022*	Yuanfeng [REDACTED] (EM, Borderline and Exploratory Technologies Team) Kevin [REDACTED] (EM, Hate and Violent Speech Team) Charles Sismondo (EM, IG Well-being Bully Team)

*Due to the complexity of cross-functional collaboration and ownership transition, the CI team has requested a 2-month extension to IA's standard 120-day remediation guideline for Medium risk observations.

Company confidential - for intended recipients only

16

HIGHLY CONFIDENTIAL (ATTORNEY'S EYES ONLY)

METANMAG-168-00000050

PLTF EX-04330_0016

DETAILED RESULTS AND MANAGEMENT ACTION PLANS

Business Area	Observation/Risk Description	Rating	Management Action Plan	Due Date	Owner
SOX - QA Monitoring	Insufficient QA Testing Scenarios The Reels Product Quality team does not sufficiently test billable event logging scenarios for Instagram Reels. As a result, Meta Inc. may incorrectly record billable events leading to inaccurate IG revenue.	Medium	The QA team will add test scenarios to the existing Instagram Reels QA test plan.	Closed	Marco [REDACTED] (QA Engineering Lead, Product Quality)
SOX - Volume Monitoring	Insufficient Ads Revenue Monitoring The Instagram Metrics Platform team does not sufficiently monitor week-over-week ads revenue changes for Instagram Reels. As a result, Meta Inc. may inaccurately record IG revenue.	Medium	The Instagram Metric Platform team will implement monitoring for Instagram Reels ads revenue.	Closed	Heng [REDACTED] (SE, IG Metric Platform Team)
SOX - Unit Test of Impressions	Incomplete Unit Tests The Instagram Metrics Platform team does not sufficiently perform unit tests to validate the accuracy of billable impression and video event logging. As a result, Meta Inc. may incorrectly record billable events leading to inaccurate IG revenue.	Medium	The Instagram Metric Platform team will implement unit tests for Instagram Reels impression and video event logging.	Closed	Vincent [REDACTED] (SE, IG Metric Platform)

Company confidential - for intended recipients only

DETAILED RESULTS AND MANAGEMENT ACTION PLANS

Business Area	Observation/Risk Description	Rating	Management Action Plan	Due Date	Owner
Reels Quality Standards	Redundant Models For Watermark Detections <i>The IG Recommendation Foundation team uses almost identical keywords lists in its online and offline models for watermark detection that both serve the same purpose. As a result, the team may spend unnecessary efforts in model maintenance and management.</i>	Low	Consolidate offline & online models to one robust model	1/31/2022	Raymond [REDACTED] (SE, IG Recommendation Foundation)
Metrics Calculation	Lack of Monitoring Over Lost Data Entries <i>The IG Data Engineering team does not monitor the new producer data entries that are dropped unexpectedly during the data transmission from pre-staging table to the staging table. As a result, data completeness issues may go undetected leading to incorrect New Producer Participation Rate metric decline.</i>	Low	Implement data completeness check to ensure the amount of dropped entries in calculating the metric is within acceptable range.	1/31/2022	Erin [REDACTED] (IG DE)

Company confidential - for intended recipients only

18

HIGHLY CONFIDENTIAL (ATTORNEY'S EYES ONLY)

METANMAG-168-00000052

PLTF EX-04330_0018

DETAILED RESULTS AND MANAGEMENT ACTION PLANS

Business Area	Observation/Risk Description	Rating	Management Action Plan	Due Date	Owner
Integrity Signal	Inadequate Transparency of Signal Coverage The IG Recommendation team has not requested automated alerts when traffic coverage for integrity signal drops and is notified manually by the Signals and Platform (SIP) oncall when the incoming signals have issues. As a result, the IG Reels surface team may not be aware of upstream data issue timely.	Low	1. Increase transparency around signal traffic and improve alert reliability for surface owners 2. Automatically triage to notify appropriate Point-of-Contacts (PoCs)	Closed	Yuchang [REDACTED] (IGWB Signals & Insights Platform)

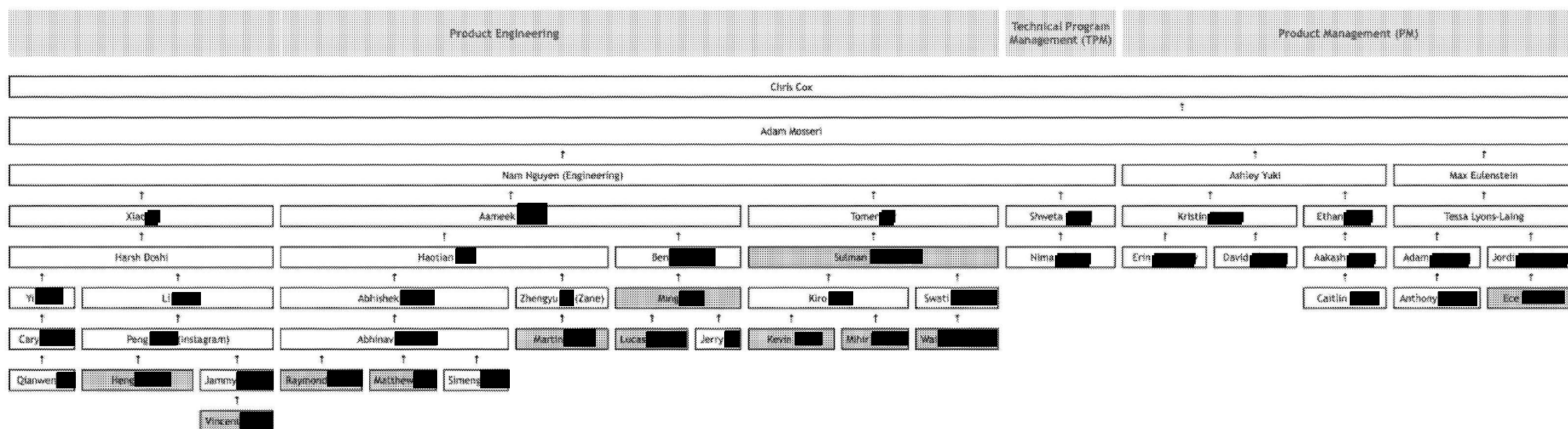
Company confidential - for intended recipients only

HIGHLY CONFIDENTIAL (ATTORNEY’S EYES ONLY)

METANMAG-168-00000053

PLTF EX-04330_0019

APPENDIX I - COMMUNICATION CHANNEL



Company confidential - for intended recipients only

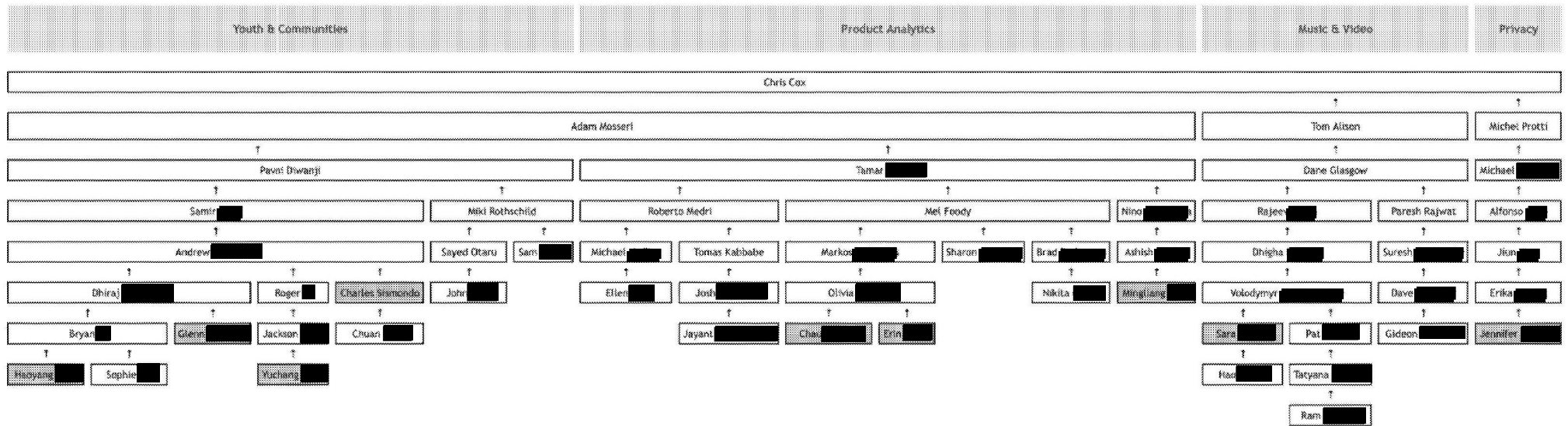
20

HIGHLY CONFIDENTIAL (ATTORNEY'S EYES ONLY)

METANMAG-168-00000054

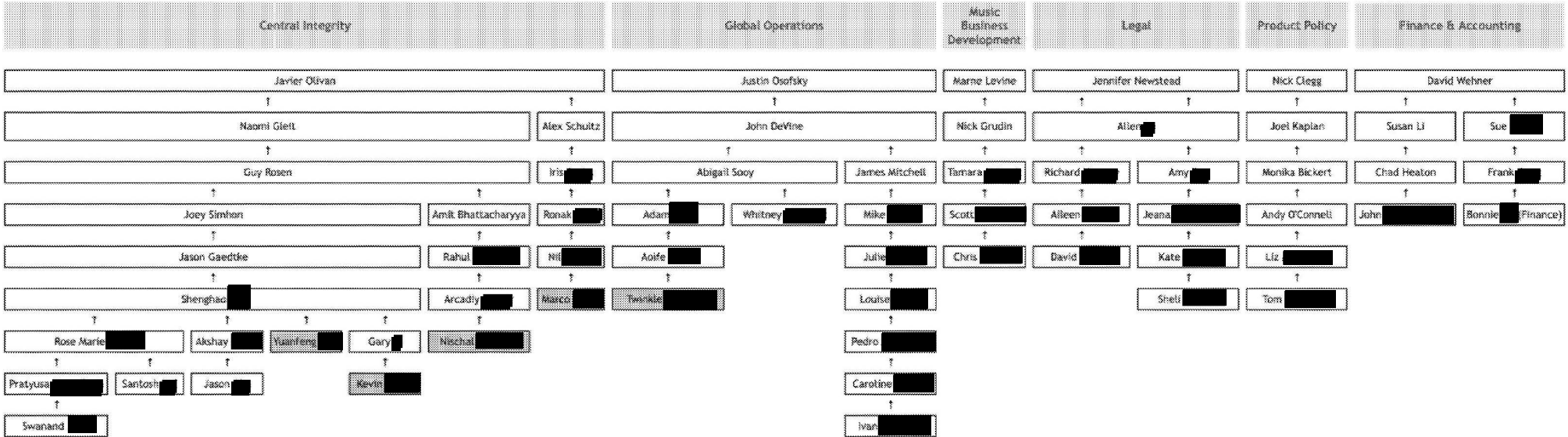
PLTF EX-04330_0020

APPENDIX I - COMMUNICATION CHANNEL



Company confidential - for intended recipients only

APPENDIX I - COMMUNICATION CHANNEL



APPENDIX II- AUDIT REPORT RATING GUIDELINES

Rating	Rating Criteria
Effective	Limited “Low risk” observations: Processes and controls provide reasonable assurance that risks are managed and objectives will be met.
Some Improvements Needed	Limited “Medium risk” observations or a number of “Low risk” observations: Processes and controls require improved effectiveness and efficiency to provide reasonable assurance that risks are managed and objectives will be met.
Significant Improvements Needed	Limited “High risk” observations or a number of “Medium risk” observations: Processes and controls include gaps that require significant improvements to provide reasonable assurance that risks are managed and objectives will be met.
	Several “High risk” observations: Processes and controls include critical gaps that require immediate improvement to provide reasonable assurance that risks are managed and objectives will be met.

Company confidential – for intended recipients only

23

HIGHLY CONFIDENTIAL (ATTORNEY’S EYES ONLY)

METANMAG-168-00000057

PLTF EX-04330_0023

OBSERVATION REMEDIATION GUIDELINES

Rating	Rating Definition	Remediation Expectations	AROC Communication
High Risk	Process and control gaps that may result in (i) significant deficiency or material weakness in internal controls, (ii) severe decrease in operational effectiveness/efficiency, (iii) violations in policy, laws or regulations, or (iv) damage to Meta’s reputation leading to significant business impact.	Resolve issue within 60 days	Yes
Medium Risk	Process and control gaps that may result in (i) deficiency in internal controls, (ii) significant decrease in operational effectiveness/efficiency, (iii) non-compliance with policy, laws or regulations, or (iv) damage to Meta’s reputation leading to moderate business impact.	Target remediation within 120 days	Yes
Low Risk	Process and control gaps that may result in (i) minor non-compliance with policy, laws or regulations, (ii) deficiency in internal controls, or (iii) decrease in operational effectiveness/efficiency.	Target remediation within 180 days	No

Company confidential – for intended recipients only