

**CHARTER OF THE  
AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS OF  
UNIVERSAL TECHNICAL INSTITUTE, INC.  
ADOPTED AS OF NOVEMBER 18, 2003**

**I. PURPOSE OF THE COMMITTEE**

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Universal Technical Institute, Inc. (the "Company") shall assist the Board in fulfilling its oversight responsibilities for the integrity of the Company's financial statements, of the Company's compliance with legal and regulatory requirements, the independent auditor's qualifications and independence, and of the performance of the Company's internal audit function and independent auditors. The Committee shall also prepare the report the Securities and Exchange Commission rules require be included in the Company's annual proxy statement.

**II. COMPOSITION OF THE COMMITTEE**

The Committee shall be comprised of at least three members of the Board. The Committee members and Chairperson shall be recommended by the Board Nominating and Governance Committee and designated by the Board and may be removed by the Board in its discretion.

Each Committee member shall be independent under applicable listing standards for members of audit committees and shall have sufficient financial experience and ability to enable him/her to discharge his/her responsibilities. At least one member shall be a "financial expert" as defined by applicable legislation and regulation. No Committee member shall simultaneously serve on the audit committees of more than two other public companies.

**III. MEETINGS AND PROCEDURES OF THE COMMITTEE**

In furtherance of its purpose, the Committee shall meet at least four times a year or more frequently as circumstances require. The Chairperson of the Committee or a majority of the members of the Committee may also call a special meeting of the Committee. A majority of the members of the Committee present shall constitute a quorum.

The Committee shall invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It shall meet separately, periodically, with management, with internal auditors and with external auditors. The Committee Chairperson shall prepare the agenda for Committee meetings, subject to the right of the Committee members to suggest additional items for the agenda. Agendas shall be shared with the Committee members in advance of meetings. The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Company.

#### **IV. AUTHORITY OF THE COMMITTEE**

The Committee shall have the authority to conduct or authorize investigations into any matters within its scope of responsibility. It shall be empowered to:

- A. Directly appoint, compensate, terminate when appropriate, and oversee the work of the public accounting firm employed by the Company to conduct the annual audit. This firm will report directly to the Committee.
- B. Resolve any disagreements between management and the auditor regarding financial reporting.
- C. Pre-approve all audit and permitted non-audit services to be provided or performed by the independent auditor.
- D. Retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation; and receive appropriate funding, as determined by the Committee, to pay for any such engagement.
- E. Seek any information it requires from employees, all of whom are directed to cooperate with the Committee's requests, or external parties.
- F. Meet with Company officers, external auditors, internal auditors, or outside counsel, as necessary.
- G. Approve the internal audit charter, risk assessment methodology and related audit plan.
- H. Review and approve proposals to outsource any internal audit activities.
- I. The Committee may delegate authority to subcommittees, including the authority to pre-approve all audit and permitted non-audit services, providing that such decisions are presented to the full Committee at its next scheduled meeting.

#### **V. DUTIES OF THE COMMITTEE**

The Committee will carry out the following duties:

##### **A. Financial Statements**

1. Review with the independent auditor significant accounting and reporting issues and understand their impact on the financial statements. Such issues include:
  - a. Complex or unusual transactions and highly judgmental areas.
  - b. Major issues regarding accounting principles or financial statement presentations, including any significant changes in the Company's selection or application of accounting principles.
  - c. The effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
2. Review 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 analyses of the effects of alternative GAAP methods on the financial statements.

3. At least annually, consider the independence of the independent auditor, including whether the provision by the independent auditor of permitted non-audit services is compatible with independence, and obtain and review a report from the independent auditor describing all relationships between the auditor and the Company.
4. Review with management and the external auditors the scope and results of the audit, including any difficulties encountered by the auditor in the course of the audit work. This review shall include any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreement with management.
5. Review with management and the external auditors the annual financial statements and quarterly financial statements, including: (a) the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations;" (b) any material changes in accounting principles or practices used in preparing the financial statements prior to the filing of a report on Form 10-K or 10-Q with the Securities and Exchange Commission; and (c) the items required by Statement of Auditing Standards 100 as in effect at that time in the case of the quarterly statements.
6. Review disclosures made by the Company's CEO and CFO during the Forms 10-K and 10-Q certification process about significant deficiencies in the design or operation of internal controls or any fraud that involves management or other employees who have a significant role in the Company's internal controls.
7. Discuss earnings press releases (particularly use of "pro-forma," or "adjusted" non-GAAP, information), as well as financial information and earnings guidance provided to analysts and rating agencies. This review may be general (i.e., the types of information to be disclosed and the type of presentations to be made). The Committee does not need to discuss each release in advance.
8. Recommend to the Board, based on the review described in 3 and 5 above, whether the financial statements should be included in the annual report on Form 10-K.

## **B. Internal Control**

1. Consider the effectiveness of the Company's internal control system, including information technology security and control.
2. Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

### **C. Internal Audit**

1. Review with management and the head of internal audit the charter, plans, activities, staffing, and organizational structure of the internal audit function. The head of internal audit shall report functionally to the Committee and administratively to the Company's Chief Executive Officer.
2. Review and approve the appointment, compensation, evaluation, retention and dismissal, as necessary, of the head of internal audit.
3. Make appropriate inquiries of management and the head of internal audit to determine whether there are scope or budgetary limitations that impede the ability of the internal audit function to execute its responsibilities.
4. Review the effectiveness of the internal audit function.
5. On a regular basis or at the request of the Committee or the head of internal audit, meet separately with the head of internal audit to discuss any matters that the Committee or internal audit believes should be discussed privately.

### **D. External Audit**

1. Review the independent auditors' proposed audit scope and approach.
2. Review the performance of the independent auditors, and exercise final approval on the appointment or discharge of the auditors. In performing this review, the Committee shall:
  - a. At least annually, obtain and review a report by the independent auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, 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; and (to assess the auditor's independence) all relationships between the independent auditor and the Company.
  - b. Take into account the opinions of management and internal audit.
  - c. Review and evaluate the lead partner of the independent auditor.
  - d. Present its conclusion with respect to the external auditor to the Board.
3. Ensure the rotation of the lead audit partner every five years and other audit partners every seven years, and consider whether there should be regular rotation of the audit firm itself.

4. Establish clear policies for the hiring of employees and former employees of the independent auditor.
5. On a regular basis, meet separately with the independent auditor to discuss any matters that the Committee or auditors believe should be discussed privately.

#### **E. Compliance**

1. Review the effectiveness of the system for monitoring compliance with laws and regulations, and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
2. Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, and auditing matters.
3. Establish procedures for the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
4. Review the process for communicating the code of conduct to Company personnel, and for monitoring compliance therewith.
5. Review: (a) the status of compliance with laws, regulations and internal procedures; and (b) the scope and status of systems designed to promote Company compliance with laws, regulations and internal procedures, through receiving reports from management, legal counsel and third parties as determined by the Committee.

#### **F. Reporting**

1. Regularly report to the Board about Committee activities and 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 auditors, and the performance of the internal audit function.
2. Provide an open avenue of communication between the Company's internal audit function, the external auditors and the Board.

#### **G. Other**

1. Discuss with management the Company's major policies with respect to risk assessment and risk management.
2. Perform such other activities related to this charter as requested by the Board.

3. On an annual basis, review this Charter and recommend any appropriate changes to the Board, confirm that the responsibilities outlined in this Charter have been carried out, and evaluate the Committee's performance.