

## **Audit Committee**

### **I. Committee Membership**

The Audit Committee (“Committee”) of Tsingda eEDU Corporation (“Tsingda”) is a standing committee of the Board of Directors (“Board”). The Committee shall be comprised of at least three members of the Board. The members of the Committee shall be appointed by the Board, upon the recommendation of the Nominating and Governance Committee and may be removed by the Board at its discretion. All members of the Committee shall meet the applicable independence, experience, and expertise requirements of The Nasdaq Stock Market, Inc. (“Nasdaq”) and all other applicable laws and regulations (including the Sarbanes-Oxley Act of 2002), and shall have sufficient financial experience and ability at the time of appointment to the Committee, or within a reasonable period of time thereafter, to discharge their responsibilities. No member of the Committee may serve on more than two other audit committees of listed company boards. In addition, at least one member of the Committee must be designated by the Board to be the “audit committee financial expert”, as defined by the SEC pursuant to the Sarbanes-Oxley Act of 2002 (the “Act”).

### **II. The Committee's Purpose**

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibility relating to (i) the integrity of Tsingda’s consolidated financial statements and financial reporting process and Tsingda’s systems of internal accounting and financial controls; (ii) the performance of the internal audit function - Audit and Risk Review (“ARR”); (iii) the annual independent integrated audit of Tsingda’s consolidated financial statements and effectiveness of Tsingda’s internal control over financial reporting, the engagement of the independent registered public accounting firm (“Independent Auditors”) and the evaluation of the Independent Auditors’ qualifications, independence and performance; (iv) policy standards and guidelines for risk assessment and risk management; (v) the compliance by Tsingda with legal and regulatory requirements, including Tsingda’s disclosure controls and procedures; and (vi) the fulfillment of the other responsibilities set out herein. The report of the Committee required by the rules of the Securities and Exchange Commission shall be included in Tsingda’s annual proxy statement.

### **III. Committee Authority and Responsibilities**

The authority and responsibilities of the Audit Committee are:

- ✧ To recommend, for stockholder approval, the independent auditor to audit the accounts of the Company for the year. The Committee shall have the sole authority and responsibility to appoint, compensate, retain, and oversee the independent auditors, and to pre-approve all engagements, fees and terms for audit and other services provided by the Company's independent auditors. The Committee shall establish pre-approval procedures consistent with applicable

law and regulation, and may delegate pre-approval of permitted services to one or more of its members, subject to review by the Committee at its next meeting.

- ✧ To evaluate the independence and qualification of the independent auditor, based upon discussions with the auditing firm and management, and on review of periodic reports by the independent auditor describing all circumstances or relationships between the independent auditor and Tsingda or its management that are relevant to a determination of independence, as well as a report on the firm's internal quality-control; including any material issues raised by relevant internal or peer quality-control reviews, or in any registration with, or inquiry or investigation by, governmental or professional authorities.
- ✧ To review with the independent auditor the scope and results of its audit, and any audit problems or difficulties and management's response (including resolution of any disagreement between management and the auditor regarding financial reporting).
- ✧ To discuss the Tsingda annual audited financial statements and quarterly financial statements with management and the independent auditor, including Tsingda's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other matters required to be reviewed under applicable legal, regulatory or Nasdaq requirements, and all matters raised by the independent auditors pursuant to applicable standards, and to determine whether to recommend to the Board that the audited financial statements be included in Tsingda's annual report on Form 10-K.
- ✧ To review with management, the internal audit department and the independent auditor the adequacy and effectiveness of the Company's disclosure and internal control procedures, including any material changes or deficiencies in such controls.
- ✧ To discuss with management Tsingda's risk assessment and risk management policies, including the Company's major financial risk exposure and steps taken by management to monitor and mitigate such exposure.
- ✧ To discuss with management and the independent auditor Tsingda's earnings press releases, as well as the type of financial information and earnings guidance, if any, provided to analysts and rating agencies.
- ✧ To review Tsingda's financial reporting and accounting standards and principles, significant changes in such standards or principles or in their application and the key accounting decisions affecting the Company's financial statements, including alternatives to, and the rationale for, the decisions made.

- ✧ To set policies for the hiring of employees or former employees of the Company's independent auditors.
- ✧ To review with the internal audit department the status and results of the annual internal audit plan, assessments of the adequacy and effectiveness of internal controls, and the sufficiency of the department's resources.
- ✧ To establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, or auditing matters, as well as for confidential, anonymous submission by employees, and others, if requested, of concerns regarding questionable accounting or auditing matters.
- ✧ To prepare an annual committee report for the Tsingda annual proxy statement.

#### **IV. Committee Meetings, Support, Delegation and Evaluation**

- ✧ The Audit Committee shall meet at least quarterly, keep minutes of its proceedings and report regularly to the Board.
- ✧ The Audit Committee may invite to its meetings any director, officer of the Company or such other person as it deems appropriate to assist it in performing its responsibilities.
- ✧ The Audit Committee shall meet separately in executive session with representatives of the Company's independent auditors and representatives of the Company's internal audit department at least quarterly, and with representatives of management periodically as the Committee deems appropriate. The Committee shall also have unlimited access, as appropriate, to Tsingda management, its internal audit department, and other Tsingda personnel.
- ✧ The Audit Committee has the authority to retain independent legal, accounting or other consultants in its sole discretion and to approve related fees and retention terms. The Committee shall also receive any funding it deems necessary or appropriate for ordinary administrative expenses.
- ✧ The Audit Committee may delegate specific responsibilities to one or more individual Audit Committee members to the extent permitted by law, regulation, Nasdaq Listing Standards and the Articles of Incorporation of the Company.
- ✧ The Audit Committee shall conduct and present to the Board an annual performance evaluation of the Committee. The Committee shall review annually the adequacy of this charter and recommend any changes that it deems appropriate to the Board for approval.