

ATA INC.

AUDIT COMMITTEE CHARTER

(Adopted on January 7, 2008)

1. Audit Committee Purpose; Limitations on Duties.

- (a) **Purpose.** The purpose of the Audit Committee pursuant to this Audit Committee Charter (this “Charter”) is to assist the Board of Directors (the “Board”) of ATA Inc. (the “Company”) in overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company. Among the matters the Audit Committee will oversee are (a) the integrity of the Company’s financial statements, (b) the Company’s compliance with legal and regulatory requirements and the Code of Ethics, (c) the appointment of the Company’s independent auditor, (d) the evaluation of the Company’s independent auditor’s qualifications and independence, (e) the performance of the Company’s internal audit function and independent auditor, (f) the approval of audit and non-audit services performed by the Company’s independent auditor, and (g) the evaluation and approval of related party transactions.
- (b) **Limitations on Duties.** While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosures are complete and accurate and are in accordance with U.S. generally accepted accounting principles (“GAAP”) and applicable rules and regulations. These are the responsibilities of management and the independent auditor. In fulfilling their responsibilities under this Charter, it is recognized that members of the Audit Committee are not full-time employees of the Company and it is not the duty or responsibility of the Audit Committee or its members to conduct “field work” or other types of auditing or accounting reviews or procedures or to set auditor independence standards.

2. Audit Committee Composition.

- (a) **Membership.** The Audit Committee will be comprised of three or more members of the Board. All members of the Audit Committee must, in the business judgment of the Board, be directors who meet the knowledge requirements and the independence requirements of applicable law and the rules of the Securities and Exchange Commission (“SEC”) and the Nasdaq Stock Market in effect at any given time (subject to any exceptions allowed by such rules and any waivers granted by such authorities). Each member shall be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow statement. At least one member of the Audit Committee shall qualify as an “audit committee financial expert” as defined in Item 16A(b) of Form 20-F promulgated by the SEC. In any event, the Audit Committee must include at least one member who the Board determines has accounting or related financial

management experience and expertise as required by Nasdaq Marketplace Rule 4350(d)(2) or any analogous rules in effect at any given time. The Company will disclose in its annual report filed with the SEC on Form 20-F whether or not it has at least one member who is such an “audit committee financial expert.” No Committee member shall simultaneously serve on the audit committees of more than two other companies.

- (b) **Appointment.** The members of the Audit Committee will be appointed by and serve at the discretion of the Board, upon the recommendation of the Company’s Nominations Committee. Except as provided in this Charter, members of the Audit Committee will be appointed annually for a term of one year or until their successors have been duly appointed and qualified (if later). Audit Committee members may be removed, with or without cause, by the Board. Unless the Board appoints a chairperson of the Audit Committee, the members of the Audit Committee shall designate a chairperson by majority vote.

- 3. **Specific Responsibilities and Duties.** The Board delegates to the Audit Committee the express responsibility and authority to do the following, to the fullest extent permitted by applicable law and the Company’s memorandum of association and articles of association (the “Constitutional Documents”):

- (a) **Independent Auditor**

- (i) **Selection; Fees.** Be solely and directly responsible for the appointment, compensation, retention, evaluation, and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company and, where appropriate, the termination and replacement of such firm. Such independent auditor shall report directly to the Audit Committee and shall be ultimately accountable to the Audit Committee and the Board, as representatives of the Company’s shareholders. The Audit Committee has the ultimate authority to approve all audit engagement fees and terms, with the costs of all engagements to be borne by the Company.
- (ii) **Rotation of Independent Auditor.** Consider whether there should be regular rotation of the independent auditor.
- (iii) **Audit Team.** Review the experience and qualifications of the senior members of the independent auditor’s team.
- (iv) **Scope of Audit.** Review, evaluate and approve the annual engagement proposal of the independent auditor (including the proposed scope and approach of the annual audit).
- (v) **Lead Audit Partner Review, Evaluation and Rotation.** Review and evaluate the lead partner of the independent auditor. Ensure that the lead

audit partner having primary responsibility for the audit and the reviewing audit partner of the independent auditor are rotated at least every five years and that other audit partners (as defined by the SEC) are rotated at least every seven years, if such rotation is required by applicable law or rules of the SEC or the Nasdaq Stock Market.

- (vi) **Pre-Approval of Audit and Non-Audit Services.** Pre-approve all audit services and all permissible non-audit services (other than with respect to de minimis exceptions permitted by applicable law or rules of the SEC or the Nasdaq Stock Market) permitted to be performed by the independent auditor. Such pre-approval may be given as part of the Audit Committee's approval of the scope of the engagement of the independent auditor or on an engagement-by-engagement basis or pursuant to pre-established policies. In addition, the authority to pre-approve non-audit services may be delegated by the Audit Committee to one or more of its members, but such member's or members' non-audit service approval decisions must be reported to the full Committee at the next regularly scheduled meeting. The Company shall disclose in its annual reports filed with the SEC on Form 20-F (and periodic reports, if any) any approval of non-audit services during the period covered by the applicable report.
- (vii) **Statement from Independent Auditor.** At least annually, obtain and review a formal written statement from the independent auditor:
 - (1) describing the independent auditor's internal quality-control procedures;
 - (2) setting forth any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, 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 independent auditor, and any steps taken to deal with any such issues; and
 - (3) delineating all relationships between the independent auditor and the Company consistent with Independence Standards Board Standard 1.
- (viii) **Engage in Active Dialogue.** Actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor and take, or recommend that the Board take, appropriate action to oversee the independence of the independent auditor.
- (ix) **Hiring Policies.** Set clear hiring policies for employees and former employees of the independent auditor.
- (x) **Review Problems.** Review with the independent auditor any audit problems or difficulties the independent auditor may have encountered in

the course of its audit work, and management's responses, including:

- (1) any restrictions on the scope of activities or access to requested information; and
 - (2) any significant disagreements with management.
- (xi) **Related Party Transactions.** Review and approve all related party transactions on an ongoing basis. All such transactions must be approved by the Audit Committee.
- (xii) **Material Communications with National Office.** Discuss with the independent auditor any communications between the audit team and the independent auditor's national office regarding auditing or accounting issues that the engagement presented.
- (xiii) **Accounting Adjustments.** Discuss with the independent auditor any accounting adjustments that were noted or proposed by the independent auditor but were passed on.
- (xiv) **Internal Audit Function.** Discuss with management, the internal auditor and the independent auditor the responsibilities, budget and staffing of the Company's internal audit function.
- (xv) **Management or Internal Control Letters.** Discuss with the independent auditor any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditor to the Company.

(b) **Financial Reporting**

- (i) **Annual Financial Statements.** Review and discuss with management and the independent auditor the Company's annual audited financial statements (including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations"), any unusual or non-recurring items, the nature and substance of significant reserves, the adequacy of internal controls and other matters that the Audit Committee deems material, prior to the public release of such information.

Obtain from the independent auditor assurance that the audit was conducted in a manner consistent with Section 10A of the Exchange Act.

Recommend to the Board whether the annual audited financial statements should be included in the annual report filed with the SEC on Form 20-F.

- (ii) **Accounting Principles.** Review and discuss with management and the independent auditor major issues regarding accounting principles and financial statement presentations, including any material changes in the selection or application of the principles followed in prior years and any

items required to be communicated by the independent auditor in accordance with AICPA Statement of Auditing Standards (“SAS”) 114, as amended or superseded.

- (iii) **Judgments.** Review reports prepared by management or by the independent auditor relating to significant financial reporting issues and judgments made in connection with the preparation of the Company’s financial statements, including an analysis of the effect of alternative GAAP methods on the Company’s financial statements and a description of any transaction as to which management obtained a SAS 50 letter.
 - (iv) **Press Releases.** Discuss earnings press releases with management (including the type and presentation of information to be included in earnings press releases), as well as financial information and earnings guidance provided to analysts and rating agencies.
 - (v) **Regulatory and Accounting Developments.** Review with management and the independent auditor the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company’s financial statements.
- (c) **Internal Audit and Risk Management**
- (i) **Internal Audit.** Review the budget, qualifications, activities, effectiveness and organizational structure of the internal audit function, the performance, appointment and replacement of the lead internal auditor, and summaries of material internal audit reports and management’s responses.
 - (ii) **Risk Assessment and Risk Management.** Discuss policies with respect to risk assessment and risk management periodically with management, the internal auditors, and the independent auditor, and the Company’s plans or processes to monitor, control and minimize such risks and exposures.
- (d) **Financial Reporting Processes; CEO and CFO Certifications**
- (i) **Internal Controls Discussion.** Review major issues as to the adequacy of the Company’s internal controls and any special audit steps adopted in light of material control deficiencies.
 - (ii) **Reporting Systems.** Establish regular and separate systems of reporting to the Audit Committee by each of (1) management, (2) the independent auditor and (3) the internal auditors regarding any significant judgments made in management’s preparation of the financial statements and the view of each as to appropriateness of such judgments.
 - (iii) **Reports from Independent Auditor.** Obtain and review timely reports from the independent auditor regarding:

- (1) all critical accounting policies and practices to be used by the Company;
- (2) all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and
- (3) all other material written communications between the independent auditor and management, including any management letter or schedule of unadjusted differences.

Such reports may be oral or in writing, but must be provided to the Audit Committee before any auditor's report is filed with the SEC.

- (iv) **CEO and CFO Certifications.** Discuss with each of the chief executive officer and the chief financial officer (1) the processes involved in, and any material changes or disclosures that are advisable or required as a result of the Form 20-F certification process and (2) any deficiencies in the design or operation of internal controls or any fraud involving management or other employees with a significant role in the Company's internal controls.

(e) **Legal and Regulatory Compliance**

- (i) **Reports from Others.** Obtain such reports from management, auditors, the general counsel or outside legal counsel, tax advisors or any regulatory agency as the Audit Committee deems necessary regarding regulatory compliance, transactions with affiliates, and other legal matters that may have a material effect on the Company's financial statements and the consideration of those matters in preparing the financial statements.
- (ii) **Code of Ethics; Waivers.** Approve and monitor the Company's compliance with a code of conduct or ethics required by applicable law or Nasdaq Stock Market rules and covering the conduct and ethical behavior of directors, officers and employees, and approve in advance any amendments to it or waivers of it for directors, executive officers and senior financial officers.
- (iii) **Complaints.** 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, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.

(f) **Annual Evaluation of Committee and Charter**

- (i) **Evaluation of Committee.** Annually evaluate the performance of the Audit Committee and its members, including a review of the Audit Committee's

compliance with this Charter.

(ii) **Review and Publication of Charter.** Review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board, as appropriate, and publish this Charter as required by applicable law.

(g) **Other Duties.** Take such other actions as may be necessary or appropriate to fulfill the Audit Committee's purposes (as stated above) and as may be requested or required by the Board from time to time.

4. **Reports to Board; Meetings and Minutes**

(a) **Reports; Recommendations.** Regularly report to the Board on the Audit Committee's activities and its conclusions 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 independent auditor, or the performance of the internal audit function, and make appropriate recommendations to the Board.

(b) **Executive Sessions.** The Audit Committee shall meet periodically (with such frequency as it deems appropriate) with each of the independent auditor, internal auditors (or other personnel responsible for the Company's internal audit function) and management in separate executive sessions to discuss any matters that the Audit Committee or these groups believe should be discussed privately.

(c) **Quarterly and Other Meetings.** The Audit Committee shall meet at least quarterly. In addition, the Audit Committee will meet with such frequency, and at such times, as its chairperson, or a majority of the Audit Committee, determines. A special meeting of the Audit Committee may be called by the chairperson and will be called promptly upon the request of any two Audit Committee members. A meeting of the Audit Committee may be conducted in person or via a telephone conference where every meeting participant can hear each other. The agenda of each meeting will be prepared by the chairperson, in consultation with other Audit Committee members, and circulated, if practicable, to each member prior to the meeting date. Unless the Audit Committee or the Board adopts other procedures, the provisions of the Company's Constitutional Documents applicable to meetings of Board committees (or if no such provisions exist, applicable to meetings of the Board) will govern meetings of the Audit Committee.

(d) **Minutes.** Minutes of each meeting shall be kept with the regular corporate records.

5. **Resources and Authority.** The Audit Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of special or independent counsel, accountants or other experts and advisors, as it deems necessary or appropriate, without seeking approval of the Board or management.

6. **Subcommittees.** The Audit Committee has the power to appoint and delegate matters to subcommittees, but no subcommittee will have any final decision-making authority on behalf of the Board or the Audit Committee (except as permitted with respect to pre-approval of non-audit services pursuant to Section 3.1 above).
7. **Advisors and Counsel; Reliance; Investigations; Cooperation**
 - (a) **Retention of Independent Counsel and Advisors.** The Audit Committee has the power, in its discretion, to obtain advice and assistance from, and to retain at the Company's expense, such independent or outside legal counsel, accounting or other advisors and experts as it determines necessary or appropriate to carry out its duties.
 - (b) **Determine Administrative Expenses.** The Audit Committee has the power to determine the level and cost of ordinary administrative expenses necessary or appropriate in carrying out its duties, with such costs to be borne by the Company.
 - (c) **Reliance Permitted.** In carrying out its duties, the Audit Committee may act in reliance on management, the Company's independent public accountant, the Company's internal auditors (if any), internal and outside advisors and experts (financial, legal or otherwise), and any officers, employees, consultants and agents of the Company, as it deems necessary or appropriate.
 - (d) **Investigations.** The Audit Committee has the authority to conduct any investigation it deems necessary or appropriate to enable it to carry out its duties.
 - (e) **Required Participation of Employees.** The Audit Committee shall have unrestricted access to the Board, the other committees of the Board, the Company's independent public accountants, the Company's internal auditors (if any), internal and outside advisors and experts (financial, legal or otherwise), and any officers, employees, consultants and agents of the Company, and may require any employee of the Company or representative of the Company's outside counsel or independent auditor to attend meetings of the Audit Committee or to meet with any members of, or consultants or advisors to, the Audit Committee.
8. **Rules and Procedures.** Except as expressly set forth in this Charter or the Company's Constitutional Documents or Corporate Governance Guidelines, or as otherwise provided by law or the rules of Nasdaq Stock Market, the Audit Committee shall establish its own rules and procedures.