

**CORINTHIAN COLLEGES, INC.**

**AMENDED AND RESTATED CHARTER OF THE  
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

**AS OF AUGUST 25, 2003**

**I. PURPOSE**

The primary function and purpose of the Audit Committee (sometimes referred to herein as the "Committee") shall be to assist the Board of Directors (the "Board") of Corinthian Colleges, Inc. (this "Corporation") in fulfilling its oversight responsibilities by reviewing and providing direction on the following matters:

- (1) The financial reports and other financial information provided by the Corporation to any governmental body or the public;
- (2) This Corporation's systems of internal controls regarding finance, accounting, legal compliance and ethics that management and the Board have established; and
- (3) This Corporation's auditing, accounting and financial reporting processes generally.

Consistent with this function, the Committee shall encourage continuous improvement of, and foster adherence to, the Corporation's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- (1) serve as an independent and objective party to monitor the Corporation's financial reporting process and internal control system;
- (2) review and appraise the audit efforts of the corporation's independent accountants and internal auditing department;
- (3) provide an open avenue of communication among the independent accountants, financial and senior management, the internal auditing department, and the Board
- (4) oversee the appointment, compensation, and review of the work of any registered public accounting firm employed by the Corporation (including the resolution of disagreements between management and the auditing firm regarding financial reporting) for the purpose of preparing or issuing an audit report or related work, and shall direct that such accounting firm report directly to the Committee.

The Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section IV of this Charter.

**II. COMPOSITION**

The Audit Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be "Independent Directors" (as defined herein), and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. For purposes of this charter, the term "Independent Directors" shall mean directors who (i) are not currently, and have not been for the past three (3) years, employees of the Corporation, (ii) other than in his or her capacity as a director and a member of any other committee of the Board, has not, from and after July 30, 2002, accepted any consulting, advisory, or other compensatory fee from the Corporation or any of its consolidated subsidiaries, (iii) have not been affiliated persons of the Corporation or any subsidiary thereof, and (iv) who are free of any relationship that, in the opinion of the Board, would interfere with their exercise of independent

judgment as a Committee member. All members of the Committee shall have a working familiarity with basic finance and accounting practices. At least one member of the Committee shall be a “financial expert,” as such term is defined by rules adopted by the Securities and Exchange Commission pursuant to Section 407 of the Sarbanes-Oxley Act of 2002. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board or until their successors shall be duly elected and qualified. The Board shall have the power to increase the size of the Committee and to appoint members to fill vacancies or newly created positions on the Committee. Unless a chair is elected by the full Board, the members of the Committee may designate a chair by majority vote of the full Committee membership.

### **III. MEETINGS**

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee should meet at least annually with management, the director of the internal auditing department and the independent accountants in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the committee or at least its chair should meet with the independent accountants and management quarterly to review the Corporation’s financials consistent with Article IV below.

### **IV. RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties the Audit Committee shall:

#### *Documents/Reports Review*

- (1) Review this Charter at least annually, and update the Charter as conditions dictate.
- (2) Review the organization’s annual financial statements and any reports or other financial information submitted to the Securities and Exchange Commission, or the public, including any certification, report, opinion, or review rendered by the independent accountants.
- (3) Review the regular internal reports to management prepared by the internal auditing department and management’s response.
- (4) Review with financial management and the independent accountants the financial information to be included in any Forms 10-Q prior to its filing or prior to the release of earnings. The Chair of the Committee may represent the entire Committee for purposes of this review.

#### *Independent Accountants*

- (5) Select and retain, on behalf of the Corporation, any registered public accounting firm employed by the Corporation, considering, among other matters, such firm’s independence and effectiveness and approve the fees and other compensation to be paid to such registered public accounting firm. On an annual basis, the Committee should review and discuss with the accountants all significant relationships the accountants have with the Corporation to determine the accountants’ independence.
- (6) Review, in advance, any proposed non-audit services proposed to be performed by the Corporation’s independent public accounting firm.
- (7) Review the performance of the independent accountants and approve any proposed discharge of the independent accountants when circumstances warrant.
- (8) Periodically consult with the independent accountants out of the presence of management about internal controls and the fullness and accuracy of the organization’s financial statements.

### *Financial Reporting Processes*

- (9) In consultation with the independent accountants and the internal auditors, review the integrity of the organization's financial reporting processes, both internal and external.
- (10) Consider the independent accountants' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
- (11) Consider and approve, if appropriate, major changes to the Corporation's auditing and accounting principles and practice as suggested by the independent accountants, management, or the internal auditing department.

### *Process Improvement*

- (12) Establish regular and separate systems of reporting to the Audit Committee by each of management, the independent accountants and 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.
- (13) Following completion of the annual audit, review separately with each of management, the independent accountants and the internal auditing department any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (14) Review any significant disagreement among management and the independent accountants or the internal auditing department in connection with the preparation of the financial statements.
- (15) Review with the independent accountants, the internal auditing department and management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented.

### *Ethical and Legal Compliance*

- (16) Establish, review and update periodically a Code of Ethics for senior financial officers as required by any rules adopted by the Securities and Exchange Commission pursuant to the Sarbanes-Oxley Act of 2002, and ensure that management has established a system to enforce this Code.
- (17) Review management's monitoring of the Corporation's compliance with the Corporation's Code of Ethics, and ensure that management has the proper review system in place to ensure that Corporation's financial statements, reports and other financial information disseminated to governmental organizations, and the public satisfy legal requirements.
- (18) Review, with the organization's counsel, any legal matter that could have a significant impact on the organization's financial statements.
- (19) Establish procedures for (i) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (20) Perform any other activities consistent with this Charter, the Corporation's By-laws and governing law, as the Committee or the Board deems necessary or appropriate.

## **V. DELEGATION OF AUTHORITY**

To fulfill its responsibilities and duties, the Audit Committee shall have the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of (i) compensation to the registered public accounting firm employed by the Corporation for the purpose of rendering or issuing an audit report, and (ii) any advisors employed by the Committee pursuant to the immediately preceding sentence.