

**VAIL RESORTS, INC.**  
**CHARTER OF THE AUDIT COMMITTEE**  
**OF THE BOARD OF DIRECTORS**

**I. AUDIT COMMITTEE PURPOSE**

The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's purpose is to:

- a. oversee the accounting and financial policies and practices of the Company, its internal controls and, as appropriate, the internal controls of certain service providers;
- b. oversee the Company's compliance with legal and regulatory requirements;
- c. oversee the quality, objectivity, and integrity of the financial statements of the Company and the independent audit thereof;
- d. oversee the qualifications and independence of the Company's independent auditors, act as a liaison between the Company's independent auditors and the Board, and pre-approve all non-audit services;
- e. oversee the performance of the Company's internal audit function and independent auditors; and
- f. annually prepare a report as required by the SEC to be included in the Company's annual proxy statements.

In general, the function of the Audit Committee is oversight; it is management's responsibility to maintain appropriate systems for accounting and internal controls, and the auditor's responsibility to plan and carry out a proper audit.

**II. AUDIT COMMITTEE COMPOSITION AND MEETINGS**

1. The Audit Committee shall be comprised of three or more directors as determined by the Board, all of whom have no material relationship to the Company that may interfere with the exercise of their independence from management and the Company.
  - a. The Audit Committee shall be composed entirely of independent directors and no person who is employed by the Company or any of its affiliates shall be a member of the Audit Committee until three years following the termination of his or her employment.
  - b. No person may be named to the Audit Committee or shall serve as a member of the Audit Committee who (i) receives, or whose immediate family member receives, more than \$100,000 per year in direct compensation from the Company (other than director

and committee fees) until three years after he or she ceases to receive more than \$100,000 per year in such compensation; (ii) has a business relationship with the Company, unless the Board determines in its business judgment that the relationship does not interfere with the director's exercise of independent judgment; or (iii) is employed as an executive of another company where any of the Company's executives serves on that company's compensation committee.

- c. A member of the Audit Committee may not, other than in his or her capacity as a member of the Audit Committee, the board of directors or any other board committee, accept directly or indirectly any consulting, advisory, or other compensatory fee from the Company or any of its subsidiaries.
  - d. Each member of the Audit Committee shall be financially literate, as such qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Audit Committee.
  - e. At least one member of the Audit Committee must have accounting or related financial management expertise, as the Board interprets such qualification in its business judgment.
  - f. In setting the qualifications for the members of the Audit Committee and in electing members to the Audit Committee, the Board may take into consideration academic background or training in financial analysis or business management, business experience throughout the career of the individual which involved or required financial management analysis and understanding, service as director and membership on its Audit Committee and such other factors as the Board may deem appropriate.
  - g. The composition and membership of the Audit Committee shall otherwise comply with the rules of the Securities and Exchange Commission ("SEC") and New York Stock Exchange ("NYSE").
2. Audit Committee members shall be appointed by the Board. If an Audit Committee Chair is not designated or present, the members of the Audit Committee may designate a Chair by majority vote of the Audit Committee membership.
  3. The Audit Committee shall meet at least twice annually or more frequently as deemed necessary or appropriate. The Audit Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Committee shall maintain minutes of its meetings.
  4. The Audit Committee may request any officer or employee of the Company or the Company's independent auditor or outside or internal counsel to attend any meeting(s) of the Committee or to meet with any members of or consultants to the Committee.

### **III. AUDIT COMMITTEE DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Audit Committee are as follows:

1. The Audit Committee shall directly appoint (subject to shareholder ratification), retain, compensate, evaluate and terminate, as appropriate, the Company's independent auditors. The Audit Committee has the sole authority to approve all audit engagement fees and terms, as well as all significant non-audit engagements with the independent auditors. The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and shall have direct access to the independent auditors as well as anyone in the organization. The independent auditor shall report directly to the Audit Committee, and the Audit Committee shall be directly responsible for the oversight of the independent auditors, including resolution of disagreements between management and the independent auditor.
2. The Audit Committee shall establish procedures for the receipt, retention, and treatment of complaints from the Company's employees with respect to accounting, internal accounting controls or auditing matters, as well as for confidential, anonymous submissions by Company employees of concerns regarding questionable accounting or auditing matters.
3. As it deems necessary to carry out its duties, the Audit Committee shall obtain advice and assistance from outside legal, accounting or other advisors.
4. The Audit Committee must receive appropriate funding from the Company to compensate any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. The Audit Committee shall not be required to seek board approval for such funding.
5. The Audit Committee must receive appropriate funding from the Company to compensate outside legal or other advisors employed by the Audit Committee, as well as funding to cover the Audit Committee's administrative expenses necessary or appropriate in carrying out its duties. The Audit Committee shall not be required to seek board approval for such funding.
6. The Audit Committee shall, at least annually, obtain and review a report by the independent auditor describing: (i) the independent auditor's internal quality control procedures; (ii) 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 (iii) all relationships between the Company and the independent auditor.
7. The Audit Committee shall discuss with management and the independent auditor and meet to review the Company's annual audited financial statements and quarterly financial statements, including reviewing the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
8. The Audit Committee shall discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
9. Although it is management's responsibility to assess and manage the Company's exposure to risk, the Audit Committee shall have the responsibility to discuss policies with respect to risk assessment and risk management.

10. The Audit Committee must periodically meet separately with the Company's management, with its internal auditors, and with its independent auditors.
11. The Audit Committee shall review with the independent auditors any audit problems or difficulties and management's response.
12. The Audit Committee shall set clear hiring policies for employees or former employees of the independent auditors.
13. The Audit Committee shall regularly report to the Company's board of directors.

In performing its functions, the Audit Committee shall undertake those duties and responsibilities that, in its judgment, would contribute most effectively to and implement the purposes of the Audit Committee. In addition to the general duties and responsibilities noted above, the following are specific functions of the Audit Committee:

#### Review Procedures

1. Review and reassess the adequacy of this Charter at least annually and recommend any changes to the Board. Submit the Charter to the Board for approval and have the document published in the Company's proxy statement at least every three years in accordance with SEC regulations.
2. Review the Company's annual audited financial statements prior to filing or distribution. Review should include discussion with management and independent auditors of significant issues regarding accounting principles, practices and judgments.
3. Conduct an annual performance evaluation of the Audit Committee.

#### Independent Auditors

4. The outside auditor for the Company is accountable to the Audit Committee, and the Audit Committee has the ultimate authority and responsibility to directly appoint, retain, compensate, evaluate and, where appropriate, terminate or replace the outside auditor (or to nominate the outside auditor to be proposed for shareholder approval in any proxy statement).
5. The Audit Committee has the sole authority to approve all audit engagement fees and terms and other significant compensation to be paid to the independent auditors.
6. The Audit Committee is responsible for ensuring that the outside auditor submits on a periodic basis to the Audit Committee a formal written statement delineating all relationships between the auditor and the Company and the Audit Committee is responsible for actively engaging in a dialogue with the outside auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the outside auditor and for recommending that the Board take appropriate action in response to the outside auditor's report to satisfy itself of the outside auditor's independence.

Other Audit Committee Responsibilities

7. Perform any other activities consistent with this Charter, the Company's Bylaws and governing law, as the Audit Committee or the Board deems necessary or appropriate.
8. Periodically report to the Board on significant results of the foregoing activities, and at any time at the request of the Board.
9. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit.
10. Review with the Company's General Counsel legal matters, as appropriate and at least annually in connection with the audit, that may have a material impact on the financial statements and any material legal or regulatory compliance matters.
11. Meet at least annually with the chief financial officer, the senior internal auditing executive and the independent auditor in separate executive sessions.

**IV. WRITTEN AFFIRMATION**

At any time that there is a change in the composition of the Audit Committee, and otherwise approximately once each year; the Company shall confirm in writing to the NYSE regarding:

- a. any determination that the Board has made regarding the independence of Audit Committee members pursuant to any provision of this Audit Committee Charter;
- b. the financial literacy of the Audit Committee members;
- c. the determination that at least one of the Audit Committee members has accounting or related financial management expertise; and
- d. the annual review and reassessment of the adequacy of this Audit Committee Charter.

\*\*\*\*\*

*Adopted: September 28, 2004*