



## AUDIT COMMITTEE

### PURPOSE

The board committee of CORPLEASE is appointed by the Board of Directors to assist it in fulfilling its responsibility to oversee (i) the quality and integrity of the Company's financial statements and the process that produces them, (ii) the Company's compliance with legal and regulatory requirements, (iii) the quality and integrity of the Company's risk management processes, and (iv) the qualifications and independence of the independent auditors. The Audit Committee also oversees the performance of the Company's internal audit function and the independent auditors.

### MEMBERSHIP

The Audit Committee will consist of three members of the Board. The members of the Audit Committee may be replaced by the Board at any time.

### AUTHORITY AND RESPONSIBILITIES

1. The Audit Committee has sole responsibility for the retention and termination of the independent auditors who will be ultimately accountable to the Audit Committee. The Audit Committee pre-approves the payment of all audit and non-audit fees to the Company's independent auditors. The Audit Committee reviews and approves the annual audit scope of the independent auditors and the internal auditors. The independent auditors are required to conduct a formal review of the quarterly financial statements.
2. The Audit Committee discusses with the independent auditors the results of its audit from the preceding year, including: (a)-a review of the audited financial statements and the memorandum containing recommendations for improving accounting procedures and internal controls and any disagreements with management (b)-the adequacy of the organization's internal control structure (c)-Management's cooperation with the independent auditors (d)-the adequacy and



quality of the organization's accounting principles and policies when compared to its industry in general (e)-a determination that the organization's financial statements will constitute full disclosure and an easily comprehensible and meaningful report to the Company's shareholders and creditors, and (f)-a review of the effect of regulatory and accounting initiatives, as well as off balance sheet structures, on the Company's financial statements.

3. The Audit Committee discusses with management and the independent and internal auditors, as appropriate, the Company's risk assessment and risk management policies, including the Company's major risk exposures and steps to be taken by management to monitor and mitigate such exposures.
4. The Audit Committee reviews quarterly with management, the internal auditors and the independent auditors all the issues concerning litigation, contingencies, claims, or assessments and all material transactions and accounting issues and transactions that require disclosure in the Company's financial statements.
5. The Audit Committee directs and supervises an investigation into any matter as deemed necessary to discharge its duties and responsibilities. In connection with any such investigation, the Audit Committee has access to all books, records, facilities and personnel of the Company and the authority to employ outside counsel, auditors or other experts at Company expense for such purpose.
6. The Audit Committee provides a report of its meetings and activities to the full Board on a regular basis.

## ORGANIZATION

The Audit Committee meets on a regularly scheduled basis, at least quarterly and more frequently as necessary, to fulfill its responsibilities. A quorum of the Audit Committee consists of a majority of its members. All actions of the Audit Committee must be approved by a majority vote of the members present, unless there are only two members present, in which case such require a unanimous vote.