

Nominating and Corporate Governance  
Committee Charter

**Fly Leasing Limited**

**As of: November 2, 2010**

# Fly Leasing Limited

## Nominating and Corporate Governance Committee Charter

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### 1. Background

This Nominating and Corporate Governance Committee Charter was originally adopted on November 6, 2007 and has been amended and restated as of November 2, 2010.

*This Charter is intended as a component of the robust governance framework within which the Board of Directors (the “Board”) of Fly Leasing Limited (the “Company”), assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company’s Memorandum of Association and Bye-laws, it is not intended to establish by its own force any legally binding obligations.*

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### 2. Objectives

The Nominating and Corporate Governance Committee (the “Committee”) shall assist the Board in:

- (i) identifying, screening and reviewing individuals qualified to serve as directors and recommending to the Board candidates for nomination for election at the annual meeting of shareholders or to fill Board vacancies;
- (ii) overseeing the Company’s policies and procedures for the receipt of shareholder suggestions regarding Board composition and recommendations of candidates for nomination by the Board;
- (iii) developing, recommending to the Board and overseeing the implementation of the Company’s Corporate Governance Guidelines and Principles contained in the Board Governance Document; and
- (iv) reviewing on a regular basis the overall corporate governance of the Company and recommending improvements when necessary.

In discharging its role, the Committee is empowered to inquire into any matter it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company. The Committee has the power to retain outside counsel, director search and recruitment consultants or other advisors to assist it in carrying out its activities. The Company shall provide adequate resources to support the Committee’s activities, including compensation of the Committee’s counsel, consultants and other advisors. The Committee shall have the sole authority to retain, compensate, direct, oversee and terminate counsel, director search and recruitment consultants, and

other advisors hired to assist the Committee, who shall be accountable ultimately to the Committee.

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### **3. Committee Membership**

The Committee shall consist of two or more members of the Board, each of whom the Board has selected and determined to be “independent” in accordance with applicable rules of the New York Stock Exchange.

The Board may appoint or replace Committee members to or from the Committee by resolution. Members of the Committee may withdraw from membership by written notice to the Chairman of the Board. Members shall continue to be members for as long as they remain directors or until their earlier resignation or removal from the Committee. Any member may be removed by the Board, with or without cause, at any time. The chairman (the “Chairman”) of the Committee shall be appointed from among the Committee members by, and serve at the pleasure of, the Board, shall preside at meetings of the Committee and shall have authority to convene meetings, set agendas for meetings, and determine the Committee’s information needs, except as otherwise provided by action of the Committee. In the absence of the Chairman at a duly convened meeting, the Committee shall select a temporary substitute from among its members to serve as chair of the meeting.

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### **4. Committee Meetings**

The Committee shall establish its own schedule and rules of procedure. Meetings of the Committee may be held telephonically. A majority of the members of the Committee shall constitute a quorum sufficient for the taking of any action by the Committee.

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### **5. Key Responsibilities**

The following responsibilities are set forth as a guide for fulfilling the Committee’s purposes, with the understanding that the Committee’s activities may diverge as appropriate given the circumstances. The Committee is authorized to carry out these activities and other actions reasonably related to the Committee’s purposes or assigned by the Board from time to time.

The Committee may form, and delegate any of its responsibilities to, a subcommittee so long as such subcommittee is solely comprised of one or more members of the Committee.

To fulfill its purposes, the Committee shall:

1. recommend to the Board for approval, oversee the implementation and effectiveness of, recommend modifications as appropriate to, and review Company disclosures concerning the Company's policies and procedures for identifying and reviewing Board nominee candidates, including: (i) the qualifications or criteria for Board nomination to shareholders for election as a director; and (ii) policies and procedures relating to consideration of Board nominee candidates recommended by shareholders;
2. identify, screen and review individuals qualified to serve as directors, consistent with qualifications or criteria approved by the Board (including evaluation of incumbent directors for potential renomination); and recommend to the Board candidates for: (i) nomination for election or re-election by the shareholders; and (ii) any Board vacancies that are to be filled by the Board;
3. review annually the composition of the Board as a whole, including whether the Board reflects the appropriate balance of independence, sound judgment, business specialization, technical skills, diversity and other desired qualities and make recommendations to the Board as appropriate;
4. review annually the relationships among directors, the Company and the Manager and recommend to the Board whether any director qualifies as "independent" under the Board's definition of "independence" and New York Stock Exchange listing rules;
5. review periodically the size of the Board and recommend to the Board any appropriate changes;
6. review the Board's leadership structure in light of the specific characteristics or circumstances of the Company and recommend any changes to the Board for approval;
7. design, with input from Company management, an appropriate orientation program for new directors and explore, make available, design and provide continuing education opportunities for directors, from time to time;
8. review periodically the committee structure of the Board and recommend to the Board for approval, after consultation with the Chairman of the Board and Chief Executive Officer, the appointment of directors to various committees and the appointment of committee chairman;
9. coordinate and oversee the annual self-evaluation of the role and performance of the Board, its committees and management in the governance of the Company;
10. review developments in corporate governance that may be relevant to the Company and to the expectations of the investor market and other stakeholders;

11. monitor the corporate governance expectations of regulators, including the Securities and Exchange Commission, the Bermuda Monetary Authority, the New York Stock Exchange and the Irish Stock Exchange;
12. oversee the implementation and effectiveness of, and recommend modifications as appropriate to the Company's Board Governance Document;
13. assist the Board to prepare the Company's corporate governance disclosure statements in its Annual Report;
14. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this charter;
15. review and reassess the adequacy of this Charter periodically, and recommend to the Board amendments as the Committee deems appropriate; and
16. report regularly to the Board on Committee findings, recommendations and any other matters the Committee deems appropriate or the Board requests, and maintain minutes or other records of Committee meetings and activities.