



## **Audit Committee Charter**

### **I. ROLE AND COMPOSITION OF THE COMMITTEE**

#### ***Role of the Audit Committee***

The primary responsibilities of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Och-Ziff Capital Management Group LLC (the "Company") are to assist the Board in its oversight of (a) the integrity of the Company's financial statements, including the accounting, reporting, and financial practices of the Company and its consolidated subsidiaries, (b) the Company's compliance with legal and regulatory requirements, (c) the qualifications and independence of the Company's independent auditors, and (d) the performance of the Company's internal audit function and independent auditors. The Committee also prepares the report required by the rules of the Securities and Exchange Commission (the "SEC") to be included in the Company's annual proxy statement.

#### ***Size, Composition and Membership Criteria***

The Committee consists of at least three directors appointed by the Board. Except as otherwise permitted by the applicable rules of the New York Stock Exchange (the "NYSE"), all members of the Committee must be independent directors. An "independent" director is a director who meets the NYSE definition of "independence" for audit committee members, as determined by the Board. In accordance with the NYSE listing standards, each member of the Committee must be "financially literate," as determined by the Board. In addition, at least one member of the Committee must be an "audit committee financial expert," as determined by the Board in accordance with SEC rules. The Board designates one member as chair or delegates to the Committee the authority to designate a chair.

No member of the Committee may serve on the audit committees of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of the director to effectively serve on the Committee.

### **II. SPECIFIC DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

In determining how best to fulfill its responsibilities to the Board, the Committee should remain flexible in light of the Company's structure and operating agreements and in order to optimally respond to changing circumstances. The Committee may delegate any of the duties and responsibilities assigned to it to a subcommittee of the Committee consisting of not less than two members of the Committee.

### ***Selection, Oversight and Evaluation of the Independent Auditors***

Among its specific duties and responsibilities relating to the selection, oversight and evaluation of the independent auditor, the Committee:

- (a) Is directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor. In this regard, the Committee appoints and retains (subject to ratification by the Company's shareholders), compensates, evaluates, and, when appropriate, terminates the independent auditor, which reports directly to the Committee. In so doing, the Committee also reviews the annual engagement letter of the independent auditor.
- (b) Obtains and reviews, at least annually, a report by the independent auditor describing: (i) the independent auditor's internal quality-control procedures; and (ii) any material issues raised by the most recent internal quality-control review, or peer review, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, with respect to one or more independent audits carried out by the independent auditor, and any steps taken to deal with any such issues.
- (c) Approves in advance all audit and permissible non-audit services, including any related proposed fees, to be provided by the independent auditor, and establishes policies and procedures for the pre-approval of audit and permissible non-audit services to be provided by the independent auditor.
- (d) Approves in advance any permissible services to be provided by the independent auditor to the Company's executive officers or members of their immediate family.
- (e) Considers, at least annually, the independence of the independent auditor, and, consistent with the rules of the Public Company Accounting Oversight Board, obtains and reviews a report by the independent auditor describing any relationships between the independent auditor and the Company or individuals in financial reporting oversight roles at the Company that may reasonably be thought to bear on the independence of the auditor, and discusses with the independent auditor the potential effects of any such relationships on independence. In this regard, the Committee: (i) monitors compliance by the independent auditor with the audit partner rotation requirements as provided by law; (ii) monitors compliance by the independent auditor with employee conflict of interest requirements as provided by law; (iii) engages in a dialogue with the independent auditor to confirm that audit partner compensation is consistent with applicable SEC rules; and (iv) obtains a description of each category of services provided by the independent auditor to the Company together with a list of fees billed for each such category.
- (f) Reviews and discusses with the independent auditor: (i) the scope of the audit, the results of the annual audit examination by the auditor, and any problems or difficulties the auditor encountered in the course of its audit work and management's response; and (ii) any reports of the independent auditor with respect to interim periods.

### ***Oversight of Periodic SEC Reporting***

Among its specific duties and responsibilities relating to the oversight of the Company's periodic reporting with the SEC, the Committee:

- (a) Meets to review and discuss with management and the independent auditor the annual audited financial statements and quarterly unaudited financial statements of the Company, including, among other items: (i) an analysis of the auditor's judgment as to the quality of the Company's accounting principles, setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements; (ii) the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," including accounting policies that may be regarded as critical; (iii) major issues regarding the Company's accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles and financial statement presentations, including analysis of effects of alternative GAAP methods on the financial statements; (iv) any accounting adjustments that were noted or proposed by the independent auditor but rejected by management (as immaterial or otherwise); and (v) the effect of regulatory and accounting initiatives as well as any off-balance sheet structures on the Company's financial statements.
- (b) Recommends to the Board, based on the review and discussion described in paragraphs (e) and (f) above in the section above entitled *Selection, Oversight and Evaluation of Independent Auditors* as well as paragraph (a) of this section, whether the financial statements should be included in the Annual Report on Form 10-K.

### ***Oversight of Financial Reporting Process and Internal Controls***

Among its specific duties and responsibilities relating to the oversight of the financial reporting process and internal controls, the Committee:

- (a) Receives periodic reports from the independent auditor, management and the internal auditor regarding, and reviews and discusses the adequacy and effectiveness of, the Company's internal controls, including any significant deficiencies or material weaknesses in the Company's internal controls and any fraud that involves any employee with a significant role in the Company's internal control over financial reporting. In this regard, the Committee reviews any steps adopted in light of the discovery of any deficiencies, weaknesses or fraud and significant changes in internal controls reported to the Committee by the independent auditor, management or the internal auditor.
- (b) Receives periodic reports from management regarding, and reviews and discusses the adequacy and effectiveness of, the Company's disclosure controls and procedures.
- (c) Reviews and discusses with the Company's internal auditor and/or management the scope and results of the internal audit program and the progress and results of any internal audit projects.

- (d) Receives periodic reports from the Company's management and internal auditor to assess the impact on the Company of significant accounting or financial reporting developments.
- (e) Reviews and discusses earnings press releases, corporate practices with respect to issuance of earnings press releases and disclosure of other similar financial information, including the type and presentation of information included therein, paying particular attention to any use of "pro forma" or "adjusted" non-GAAP information, and any financial information or earnings guidance provided to analysts and ratings agencies.

### ***Other Responsibilities***

Among its specific duties and responsibilities relating to other responsibilities, the Committee:

- (a) Reviews and discusses the Company's practices with respect to risk assessment and risk management, including guidelines and policies to govern the process by which the Company's exposure to risk is handled and the steps management takes to monitor and control the Company's major financial risk exposures.
- (b) Reviews significant tax, legal and regulatory matters, including the results of regulatory examinations.
- (c) Oversees the Company's compliance program with respect to legal and regulatory requirements.
- (d) Establishes and oversees procedures for handling complaints regarding accounting, internal accounting controls and auditing matters, including procedures for the confidential, anonymous submission of concerns by employees regarding accounting and auditing matters.
- (e) Establishes policies relating to the hiring of employees and former employees of the independent auditor.
- (f) Prepares the report required by the rules of the SEC to be included in the Company's annual proxy statement.
- (g) Performs such additional activities, and considers such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.

### **III. EVALUATIONS**

On an annual basis, the Committee evaluates its performance. In performing this evaluation, the Committee considers whether its charter appropriately addresses its duties, responsibilities and rights. The Committee reports to the Board regarding the evaluation, including any recommended changes to its duties and responsibilities, charter or policies and practices of the Company.

#### **IV. OUTSIDE ADVISORS**

The Committee has the authority to retain at the expense of the Company such outside counsel, accountants, experts and other advisors as it determines appropriate to assist it in the full performance of its functions and receives appropriate funding, as determined by the Committee, from the Company for payment of compensation to any such advisors and for the payment of ordinary administrative expenses that are necessary or appropriate in carrying out the Committee's duties.

#### **V. MEETINGS**

The Committee meets at least quarterly, either in person or telephonically, and at such times and places as the Committee determines. The Committee meets separately in executive session, periodically, with management, the internal auditor, the independent auditor and the Chief Legal Officer. A majority of the members of the Committee constitutes a quorum. The Committee reports to the Board regularly with respect to its activities and responsibilities.

*As of November 1, 2011*