

**AMREP CORPORATION**  
**CHARTER OF THE AUDIT COMMITTEE**

**(Adopted July 13, 2004)**

**(Last Amended June 28, 2012)**

**Membership**

The Audit Committee (the “**Committee**”) shall consist of three or more directors all of whom shall (i) have been determined by the Board of Directors (the “**Board**”) to be independent within the meaning of the New York Stock Exchange Corporate Governance Standards and (ii) meet the independence requirements of the Securities Exchange Act of 1934, as amended, and the rules of the Securities and Exchange Commission. Each Committee member shall in the judgment of the Board be financially literate. In addition, at least one Committee member shall in the judgment of the Board be an “audit committee financial expert” within the meaning of the rules and regulations of the Securities and Exchange Commission, and at least one Committee member shall in the judgment of the Board have accounting or related financial management expertise (a person who satisfies the definition of audit committee financial expert will be presumed to have accounting or related financial management expertise).

The members of the Committee shall be appointed by the Board. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

No member of the Committee may, without the prior approval of the Board, serve simultaneously on the audit committee of more than two other public companies.

**Purposes**

The purposes of the Committee are to (A) assist the Board with the oversight of (a) the integrity of the Company’s financial statements, (b) the Company’s compliance with legal and regulatory requirements, (c) the independent auditor’s qualifications and independence, and (d) the performance of the Company’s internal audit function and the independent auditor, and (B) perform the duties set forth below.

**Duties and Responsibilities**

The Committee shall:

1. Appoint and retain, and when appropriate terminate, the public accounting firm (“**independent auditor**”) engaged by the Company for the purpose of preparing or issuing an audit report or preparing audit review or attest services, set the independent auditor’s compensation, oversee its work, and resolve any disagreement between management and the independent auditor regarding

financial reporting; and periodically consider the regular rotation of the lead audit partner at the independent auditor and the independent auditor itself.

2. Establish policies and procedures for the engagement of the independent auditor to provide audit and permitted non-audit services.
3. Pre-approve all audit services to be provided by the independent auditor and, separately, all permitted non-audit services to be performed by the independent auditor.
4. At least annually, obtain and review 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, peer review or Public Company Accounting Oversight Board review, of the firm, 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 firm, and any steps taken to deal with any such issues.
5. At least annually, consider the qualifications, performance and independence of the independent auditor, including an evaluation of the lead audit partner and whether the provision by the independent auditor of permitted non-audit services is compatible with its independence, and obtain and review a report from the independent auditor describing all relationships between the independent auditor and the Company and its subsidiaries.
6. Review with the independent auditor: (a) the scope, timing, and results of each audit, (b) any problems or difficulties that the independent auditor encountered in the course of the audit work and management's response, and (c) any questions, comments, or suggestions the independent auditor may have relating to the internal controls, and accounting practices and procedures, of the Company or its subsidiaries.
7. At least annually, review with the independent auditor the scope and results of the internal audit program, including then current and future programs of the Company's internal auditor, procedures for implementing accepted recommendations made by the independent auditor, and any significant matters contained in reports from the internal auditor.
8. Review with management and the independent auditor: any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles; any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effects of alternative treatment of financial information that have been discussed with management; and the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.

9. Review with the independent auditor, with the Company's internal auditor, and with management (a) the adequacy and effectiveness of the systems of internal controls (including any significant deficiencies and significant changes in internal controls reported to the Committee by the independent auditor or management), and any special audit steps adopted in light of any material control deficiencies, accounting practices, and disclosure controls and procedures (and management reports thereon), of the Company and its subsidiaries; and (b) current accounting trends and developments, and take such action with respect thereto as may be deemed appropriate.
10. Review with management and the independent auditor the annual audited financial statements and quarterly unaudited financial statements of the Company, including (a) the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations", (b) any material changes in accounting principles or practices used in preparing the financial statements prior to the filing of a report on Form 10-K or 10-Q with the Securities and Exchange Commission, and (c) the items required by Statements on Auditing Standards 61 and 100 (or any superseding Statements).
11. Recommend to the Board, based on the reviews set forth above, whether the annual audited financial statements should be included in the Company's annual report on Form 10-K.
12. Review the Company's earnings press releases as well as financial information and earnings guidance provided to analysts and rating agencies.
13. Review and discuss with management the Company's policies with respect to risk assessment and risk management, and review contingent liabilities and risks that may be material to the Company and its subsidiaries on a consolidated basis and major legislative and regulatory developments which could materially impact the Company's contingent liabilities and risks.
14. Establish procedures for the confidential and anonymous receipt, retention, and treatment of complaints regarding the Company's accounting, internal controls, and auditing matters, as well as for the confidential, anonymous submissions by Company employees of concerns regarding questionable accounting or auditing matters.
15. Establish clear policies for the hiring of employees and former employees of the independent auditor.
16. Obtain the advice and assistance, as appropriate, of independent counsel and other advisors as necessary to fulfill the responsibilities of the Committee, and receive appropriate funding from the Company, as determined by the Committee, for the payment of compensation to any such advisors.
17. Conduct an annual performance evaluation of the Committee and annually evaluate the adequacy of its charter.

18. Oversee the administration and enforcement of the Company's Code of Business Conduct and Ethics.

### **Outside Advisors**

The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of any outside counsel and other advisors.

The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to the Company's independent auditors, any other accounting firm engaged to perform services for the Company, any outside counsel and any other advisors to the Committee.

### **Meetings**

The Board shall designate a member of the Committee as the chairperson. The Committee shall meet at least four times each year and at such other times as it deems necessary to fulfill its responsibilities. The Committee shall periodically meet separately, in executive session, with management, the internal auditor and the independent auditor. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee shall report regularly to the Board with respect to its activities and make recommendations to the Board as appropriate.

### **Report**

The Committee shall prepare a report each year for inclusion in the Company's annual proxy statement relating to the election of directors.