

**Charter of the
Audit Committee of the Board of Directors
of Essex Rental Corp.**

Statement of Policy

The Audit Committee is a committee of the Board of Directors (the “Board”) of Essex Rental Corp. (the “Company”). It shall provide assistance to the Board in fulfilling the Board’s oversight functions relating to the quality and integrity of the Company’s financial reports, monitor the Company’s financial reporting process and internal control system, and perform such other activities consistent with this Charter and the Company’s By-laws as the Committee or the Board deems appropriate. It shall have such functions as are provided by the listing standards of The NASDAQ Capital Market (“NASDAQ”), the Securities and Exchange Commission (the “SEC”) and the federal securities laws.

Membership of Audit Committee

Pursuant to applicable SEC and NASDAQ requirements, the Audit Committee shall be comprised of three directors, none of whom shall be an employee of the Company and each of whom shall be an independent director. For purposes of the Audit Committee an independent director shall be one who meets the independence requirements of NASDAQ and the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations promulgated thereunder, in effect from time to time. All members of the Audit Committee shall meet the expertise requirements of NASDAQ and at least one member shall be a “financial expert” as such term is defined by regulations of the SEC. No member of the Audit Committee shall have participated in the preparation of the financial statements of the Company at any time during the three years prior to such members appointment to the Audit Committee.

The members of the Audit Committee shall be elected by the Board at the annual [organizational] meeting of the Board and shall serve until the next annual [organization] meeting or until their respective successors shall be duly elected and qualified.

Meetings

The Audit Committee shall meet at least three times annually, once to review the audit plan of the outside auditors, once to review the Company’s annual audited financial statements prior to their issuance, and once to review the post-audit findings of the outside auditors. A quorum for these meetings shall be a majority of the members. In addition, management and a representative of the outside auditors shall meet with the Audit Committee to review the Company’s quarterly financial results prior to the public announcement of those results. A quorum for these meetings shall be one of the members.

The Audit Committee may also hold any special meetings as may be called by the Chairman of the Audit Committee or at the request of outside auditors or the internal accounting staff or management. Members of senior management, the outside auditors or others may attend meetings of the Audit Committee at the invitation of the Audit Committee and shall provide pertinent information as necessary. The Audit Committee shall meet with the outside auditors, the internal accounting staff and management in separate executive sessions to discuss any matters that the Audit Committee or these groups believe should be discussed privately with the Audit Committee.

The Audit Committee may meet via telephone conference calls. Minutes of each meeting shall be prepared and the Committee shall report regularly to the Board as to its activities.

Relationship With Outside Auditors

The outside auditors are ultimately accountable to the Board and the Audit Committee, as representatives of the Company's stockholders, but shall report directly to the Audit Committee. The Audit Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of the outside auditors (including resolution of disagreements between management of the Company and the outside auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit, review or other services for the Company. All auditing services and non-audit services provided to the Company by the outside auditors shall be pre-approved by the Audit Committee in accordance with such rules or limitations the Audit Committee adopts. The Audit Committee may delegate, subject to any rules or limitations it may deem appropriate, to one or more designated members of the Audit Committee the authority to grant such pre-approvals; provided, however, that the decisions of any member to whom authority is so delegated to pre-approve an activity shall be presented to the full Audit Committee at its next meeting.

Scope of Powers and Functions

The Audit Committee's primary functions are to:

Documents/Reports Review

1. Review and assess the adequacy of this Charter at least annually.
2. Review all public announcements of financial results and quarterly and annual financial statements and reports prior to any filing with the SEC or any release to the public or investors.
3. Recommend to the Board that the audited financial statements be included in the Company's annual report on Form 10-K for filing with the SEC.

Outside Auditors

4. Approve the appointment and compensation of the outside auditors prior to any engagement, and recommend that appointment to stockholders for ratification.
5. Review all relationships the outside auditors have with the Company to determine their independence and obtain and review a report from the outside auditors concerning the auditors' internal quality control procedures; any material issues raised by the most recent internal quality-control review, or peer 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. The outside auditors shall annually provide to the Audit Committee a written statement delineating all such matters.
6. Review the annual audit plan of the outside auditors and evaluate their performance.
7. Review the experience and qualifications of the senior members of the outside auditors team and of the senior internal corporate accounting and financial reporting staff.

8. Obtain and review a report from the outside auditors at least annually as to (a) all critical accounting policies to be used, (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management of the Company, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the outside auditors, and (c) other material written communications between the outside auditors and management of the Company, including management letters and schedules of unadjusted differences.
9. Require the rotation of the lead (and coordinating or reviewing) audit partner on a regular basis in accordance with the requirements of the Exchange Act.
10. Review the Company's hiring of employees or former employees of the outside auditors who participated in any capacity in the audits of the Company.

Financial Reporting Processes

11. Consult with the outside auditors concerning the completeness and accuracy of the Company's financial statements.
12. Consult with the outside auditors concerning the quality of the Company's accounting principles as applied in its financial statements and reporting.
13. Review any significant judgments made in management's preparation of the financial statements and the view of the outside auditors as to the appropriateness of such judgments.
14. Review any significant difficulties encountered during the course of the audit or review, including any restrictions on the scope of the outside auditors' work or access to reviewed information.
15. Review any disagreements between management and the outside auditors in connection with the preparation of an Audit report, performing any other audit, review or other services or any public announcements of financial results and quarterly and annual financial statements and reports.
16. Review changes to the Company's accounting principles as recommended by the outside auditors or management.
17. Review with the outside auditors and internal accounting staff the adequacy of the Company's system of internal controls and disclosure controls and procedures, including computerized information system controls and security, and any related significant findings and recommendations of the outside auditors, together with management's responses thereto.
18. Review periodically with the Company's management, general counsel and outside auditors, legal and regulatory matters and accounting initiatives that could have a significant effect on the Company's financial statements.
19. Discuss with management and the outside auditors the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

Other

20. Reviewing existing policies concerning related party transactions and conflicts of interest between Board members or senior management, on the one hand, and the Company, on the other hand and recommend any changes to such policies.
21. Conduct an appropriate review of all related party transactions for potential conflicts of interest and approve all such related party transactions. A “related party transaction” refers to transactions required to be disclosed pursuant to SEC Regulation S-K, Item 404. Generally, these are transactions between the Company or any of its subsidiaries and any director, executive officers or 5% holder of the Company’s stock, as well as, for directors, transactions with entities related to them.
22. Establish procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
23. Review the Company’s policies with respect to risk assessment and risk management.
24. Perform an annual self-evaluation of the Audit Committee.
25. Investigate any other matter brought to its attention within the scope of its duties which it deems appropriate for investigation.

The Audit Committee shall have such other functions as are provided by NASDAQ, the SEC and the federal securities laws.

The Audit Committee shall have the authority to engage and determine funding for outside legal, accounting or other advisors as it determines necessary to carry out its functions.

Limitation of Audit Committee’s Role

The Company’s management has the primary responsibility for the financial statements and the reporting process, including the Company’s system of internal controls and disclosure controls and procedures. The outside auditors audit the Company’s financial statements and express an opinion on the financial statements based on the audit. The Audit Committee oversees (i) the accounting and financial reporting processes of the Company and (ii) the audits of the financial statements of the Company on behalf of the Board of Directors.

While the Audit Committee has the functions set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. The responsibility to plan and conduct audits is that of the outside auditors. The Company’s management has the responsibility to determine that the Company’s disclosures and financial statements are complete and accurate and in accordance with generally accepted accounting principles. It is also not the duty of the Audit Committee to assure the Company’s compliance with laws and regulations or compliance with any code(s) of conduct adopted by the Company. The primary responsibility for these matters rests with the Company’s management.