

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

(as amended November 4, 2003)

PURPOSE:

The purpose of the Audit Committee of the Board of Directors (the "Board") of Monaco Coach Corporation (the "Company") shall be to:

- Oversee the accounting and financial reporting processes of the Company and audits of the financial statements of the Company;
- Assist the Board in oversight and monitoring of (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the independent auditor's qualifications and independence, and (iv) the performance of the Company's internal audit function and of its independent auditors;
- Prepare the report that the rules of the Securities and Exchange Commission (the "SEC") require be included in the Company's annual proxy statement;
- Provide the Company's Board with the results of its monitoring and recommendations derived therefrom; and
- Provide to the Board such additional information and materials as it may deem necessary to make the Board aware of significant financial matters that require the attention of the Board.

The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors may from time to time prescribe.

MEMBERSHIP:

The Audit Committee members will be appointed by, and will serve at the discretion of, the Board. The Audit Committee will consist of at least three members of the Board. Members of the Audit Committee must meet the following criteria (as well as any criteria required by the SEC):

- Each member will be "independent", in accordance with the rules of the New York Stock Exchange and the rules of the SEC, as in effect from time to time;
- Each member will be financially literate, as such qualification is interpreted by the Company's Board in its business judgment, and at least one member will be an "audit committee financial expert" as defined by the rules of the SEC; and
- The Chair of the Audit Committee must have accounting or related financial management expertise and may not be associated with a holder of 20% or more of the Company's voting stock.

DUTIES AND RESPONSIBILITIES:

The duties and responsibilities of the Audit Committee shall include:

- Reviewing on a continuing basis the adequacy of the Company's system of internal controls, including separately meeting on a periodic basis with the Company's management, internal auditors and the independent auditors to review the adequacy of such controls and to review before release the disclosure regarding such system of internal controls required under SEC rules to be contained in the Company's periodic filings and the attestations or reports by the independent auditors relating to such disclosure;
- Exercising direct authority for appointing, compensating, overseeing the work of (including resolving disagreements between management and the independent auditors regarding financial reporting), and terminating the services of, the independent auditors for the purpose of preparing or issuing an audit report or other audit, review or attest services;
- Pre-approving audit and permitted non-audit services provided to the Company by the independent auditors (or subsequently approving non-audit services in those circumstances where a subsequent approval is necessary and permissible).

- At least annually, obtaining and reviewing a report by the independent auditor describing: the audit firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the audit 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 audit firm, and any steps taken to deal with any such issues;
- Discussing the annual audited financial statements and quarterly unaudited financial statements with management and the independent auditors, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to filing the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, respectively, with the SEC;
- Discussing earnings press releases, as well as the types of financial information and earnings guidance provided, and the types of presentations made, to analysts and rating agencies;
- As appropriate, obtaining advice and assistance from outside legal, accounting or other advisors;
- Discussing policies with respect to risk assessment and risk management, including the Company's major financial risk exposures and the steps management has taken, or proposes to take, to monitor and control such exposures;
- Reviewing and monitoring the internal audit function, including the internal audit plan, reports resulting from internal audit activities and management's responses to such reports;
- Reviewing with the independent auditors any audit problems or difficulties and management's response;
- Setting clear hiring policies with respect to employees or former employees of the independent auditors;
- Reporting regularly to the Board;
- Reviewing the independent auditors' proposed audit scope, approach and independence;
- Requesting from the independent auditors on at least an annual basis a formal written statement delineating all relationships between the auditors and the Company, engaging in a dialogue with the auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditors, and taking, or recommending that the Board take, appropriate action, if necessary, to ensure the independence of the outside auditors;
- Directing the Company's independent auditors to review before filing with the SEC the Company's interim financial statements included in Quarterly Reports on Form 10-Q, using professional standards and procedures for conducting such reviews;
- Discussing with the Company's independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 ("Communication with Audit Committees"), as it may be modified or supplemented;
- Reviewing reports submitted to the audit committee by the independent auditors in accordance with applicable SEC requirements;
- Providing a report in the Company's proxy statement in accordance with the requirements of Item 306 of Regulation S-K and Item 7(e)(3) of Schedule 14A;
- Reviewing the Audit Committee's own charter, structure, processes and membership requirements from time to time;
- Overseeing compliance with the requirements of the SEC for disclosure of auditor's services and audit committee members, member qualifications and activities;
- Reviewing, approving and monitoring the Company's code of ethics for its principal executive officer, principal financial officer, principal accounting officer or controller, and other executive officers;
- Establishing procedures for receiving, retaining and treating complaints received by the Company regarding accounting, internal accounting controls or auditing matters and procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- Providing a report to the Board at least annually presenting its conclusions with respect to the independent auditors; and
- Performing such other duties as may be requested by the Board.

COMPENSATION:

Members of the Audit Committee shall receive such fees, if any, for their service as Audit Committee members as may be determined by the Board in its sole discretion. Such fees may include retainers, per

meeting fees and special fees for service as Chair of the Audit Committee. Fees may be paid in such form of consideration as is determined by the Board, which may include cash, deferred payment, stock, stock options, phantom stock, and common stock equivalents.

Members of the Audit Committee may not receive any compensation from the Company except the fees that they receive for service as a director or Board Committee member.

VOTING:

Each member of the Audit Committee shall have one vote on any matter requiring action by the Audit Committee; provided, however, that any member who is associated with a holder of 20% or more of the Company's voting stock may not vote on any matters before the Audit Committee.

MEETINGS:

The Audit Committee will meet at least quarterly. The Audit Committee may establish its own schedule, which it will provide to the Board in advance.

The Audit Committee will meet separately, at least quarterly, with (i) management, (ii) internal auditors (or other personnel responsible for the internal audit function), and (iii) independent auditors.

MINUTES:

The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

REPORTS:

Apart from the report prepared pursuant to Item 306 of Regulation S-K and Item 7(e)(3) of Schedule 14A, the Audit Committee will summarize its examinations and recommendations to the Board from time to time as may be appropriate, consistent with the Committee's charter. Such reports may be made orally or in writing.

PERFORMANCE EVALUATION:

At least annually, the Board and the Audit Committee shall conduct a performance evaluation of the Audit Committee.

DELEGATION OF AUTHORITY:

The Audit Committee may delegate to one or more designated members of the Audit Committee the authority to pre-approve audit and permitted non-audit services, provided such pre-approval decision is presented to the full Audit Committee at its scheduled meetings.

RESOURCES:

The Audit Committee shall have the resources as determined by the Committee and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate and approves the fees and other retention terms of special counsel, accountants or other experts or consultants, as it deems appropriate, without seeking approval of the Board or management.