



INSIDER TRADING POLICY

The following is the insider trading policy of Willis Lease Finance Corporation (the “Company”) and outlines the procedures that all Company personnel must follow. This policy and its procedures arise from our responsibilities as a public company. Failure to comply with these procedures could result in a serious violation of securities laws by you and/or the Company and can involve both civil and criminal penalties. It is important that you review our policy carefully. The insider trading policy provides as follows:

Definition of Insider: Reason for Policy

An “insider” is a person who possesses, or has access to, material information concerning the Company that has not been fully disclosed to the public (see below for a definition of “material information”). Insiders may be subject to criminal prosecution and/or civil liability for trading (purchasing or selling) the Company’s stock when they know material information concerning the Company that has not been fully disclosed to the public. Criminal prosecution for insider trading can and often does result in prison sentences for the violator. Civil actions may be brought by private plaintiffs or the Securities and Exchange Commission (the “SEC”). The SEC is authorized by statute in such actions to seek a penalty of the profits made or losses avoided by the violator. Finally, in addition to the potential criminal and civil liabilities mentioned above, in certain circumstances the Company may be able to recover all profits made by an insider, plus collect other damages.

Insider trading proscriptions are not limited to trading by the insider alone. It is also illegal to advise others to trade on the basis of undisclosed material information. Liability in such cases can extend both to the “tippee” – the person to whom the insider disclosed inside information - and to the “tipper,” the insider himself, even if the insider did not trade and did not gain or intend to gain any benefit from the tippee’s trading or the disclosure or use of such information.

Finally, insider trading can cause a substantial loss of confidence in the Company and its stock on the part of the public and the securities markets. This could obviously have an adverse impact on the Company and its shareholders.

Applicability of Policy

This policy applies to all transactions in the Company’s stock by “insiders.” Generally, insiders are (1) members of the Board of Directors and officers of the Company, and (2) any officers, employees or independent contractors of the Company and its subsidiaries, who know material information regarding the Company that has not been fully disclosed to the public. This policy also applies to the immediate families (defined as direct family living in the same household) of such insiders. A person can be an insider for a limited time with respect to certain material information even though he or she is not an officer or director. For example, someone who knows that a significant contract or order has just been received may be an insider with respect to that information until the news has been fully disclosed to the public. Given the relatively small size of the Company, all employees are considered insiders under this policy.

Definition of Full Disclosure

Full disclosure to the public generally means a press release followed by publication in print and/or online media. A speech to an audience, a TV or radio appearance or an article in an obscure magazine do not qualify as full disclosure. Full disclosure means that the securities markets have had the opportunity to digest the news. Generally, two to three business days following publication in *The Wall Street Journal* (or release to national wire services) is regarded as sufficient for dissemination and interpretation of material information.

Definition of Material Information

It is not possible to define all categories of material information. In general, information should be regarded as material if there is a likelihood that it would be considered important by an investor in making a decision regarding the purchase or sale of the Company’s stock. While it may be difficult under this standard to determine whether certain information is material, there are various categories of information that would almost always be regarded as material, such as information covering major contract approvals or rejections, major corporate partnering transactions, proposed

acquisitions, unanticipated changes in the level of sales, orders or expenses, earnings announcements, significant pricing changes, proposed commencement or changes in dividends, planned stock splits, new equity or debt offerings, significant litigation developments, top management changes and similar matters. If any insider has questions as to the materiality of information, he or she should contact the General Counsel for clarification.

Further, any director, officer or other employee who is contemplating a transaction in the Company's stock and who is unsure of the applicability of this policy must contact the General Counsel prior to executing the transaction to determine if he or she may properly proceed. Officers and directors should be particularly careful, since avoiding the appearance of engaging in stock transactions on the basis of material undisclosed information can be as important as avoiding a transaction actually based on such information.

Any employee, particularly an employee who has access to inside information on a regular basis (for example, receipt of monthly financial highlights), is well advised to utilize the same trading window defined below for officers and directors. All employees must check with and receive approval from the General Counsel before initiating a transaction in the Company's stock or, if the General Counsel is unavailable, with the Chief Financial Officer.

Almost No Exceptions

There are almost no exceptions to the prohibition against insider trading. For example, it does not matter that the transactions in question may have been planned or committed to before the insider came into possession of the undisclosed material information, regardless of the economic loss that the person may believe he or she might suffer as a consequence of not trading.

As noted above, this policy applies to the immediate families of insiders. Although immediate family is narrowly defined, an employee should be especially careful with respect to family or to unrelated persons living in the same household.

Finally, remember that there are no limits on the size of a transaction that will trigger insider trading liability; relatively small trades have in the past occasioned SEC investigations and lawsuits.

Specific Procedures

1. Any director, officer employee or other person associated with the Company who knows of any "material information" (see the definition above) concerning the Company that has not been disclosed to the public must refrain from trading (purchasing or selling), and must refrain from advising others to trade in, the Company's stock until the third business day after public disclosure of such information is made.
2. Directors, officers and other employees may engage in a transaction in (purchase or sale of) the Company's stock only during the period commencing on the third business day after the day on which the Company's financial results for any particular fiscal period have been released to the national wire services and filed with the SEC and ending thirty (30) calendar days later. The "window period" may be closed early or entirely if, in the judgment of the Company's President, Chief Financial Officer or General Counsel, there exists undisclosed information that would make trading by directors, officers or other employees inappropriate.
3. Even within the "window period," directors, officers and other employees who desire to buy or sell Company stock must consult in advance with the General Counsel to confirm that there is no undisclosed information that would make such a trade inappropriate. If the General Counsel is unavailable, the Chief Financial Officer must be consulted. Directors, officers and other employees will be permitted to proceed with a proposed transaction only after the General Counsel or, in his/her absence, the Chief Financial Officer has pre-cleared it and communicated his/her approval in writing or via e-mail. Following any such pre-clearance, you will then have two business days to effect the transaction (or, if sooner, before the end of the window period). However, under no circumstance may you engage in transactions in the Company's stock while aware of non-public material information, even if pre-cleared. Thus, if you become aware of non-public material information after receiving pre-clearance, but before the transaction has been executed, you must not effect the pre-cleared transaction.
4. The only exceptions to the policy are set forth below. It does not matter that the "insider" may have decided to engage in a transaction before learning of the undisclosed material information or that delaying the transaction might result in economic loss. It is also irrelevant that publicly disclosed information about the Company might, even aside from the undisclosed material information, provide a substantial basis for engaging in the transaction.

Officers, directors and employees simply cannot trade in the Company's stock while in possession of undisclosed material information about the Company. The only exceptions to the policy are as follows:

- a. Exercise of a stock option or option-like awards under a Company Stock Option/Stock Issuance Plan, if the exercise price is paid in cash or through the Company withholding a portion of the shares underlying the options. Note that this exception does not include a subsequent sale of the shares acquired pursuant to the exercise of the option under such plans.
- b. The Company's withholding of shares underlying equity awards to satisfy tax withholding requirements.
- c. The purchase (but not the subsequent sale) of shares under the Employee Stock Purchase Plan.
- d. Trades made pursuant to a valid "10b5-1 plan" approved by the General as described below.
- e. Non-employee directed purchases under the Company's 401(k) Plan, if applicable.
- f. Any transaction specifically approved in writing and in advance by the General Counsel.

The General Counsel is under no obligation to approve a request under the pre-clearance procedures provided for under this policy and may determine to reject any request, even if the proposed transaction would not violate federal securities laws or a specific provision of this policy.

10b5-1 Plans

SEC Rule 10b5-1(c) provides an affirmative defense to an allegation that a trade has been made on the basis of non-public material information. Persons who establish written trading plans under this rule (referred to as "10b5-1 plans") in advance of the trade and while not in possession of non-public material information can avail themselves of this defense. These plans can be useful in enabling insiders to plan ahead without fear that they might become exposed to non-public material information that will prevent them from trading. Transactions executed under valid pre-approved 10b5-1 plans are not subject to the pre-clearance procedures and trading prohibitions, including the window periods, under this policy.

To qualify as a 10b5-1 plan for purposes of this policy, the plan must be established during a window period and approved in advance by the General Counsel. Such plans must comply with applicable guidelines established by the General Counsel, as may be amended from time to time, and the person establishing the 10b5-1 plan must certify to the General Counsel in writing, no earlier than two (2) business days prior to the date that the plan is formally established, that: (i) such person is not in possession of non-public material information concerning the Company; and (ii) the plan complies with the requirements of SEC Rule 10b5-1(c), including that it is being entered into in good faith and not as part of a plan or scheme to evade the prohibitions of the rule.

The General Counsel is under no obligation to approve any submitted 10b5-1 plan and may determine to reject any plan, even if it complies with SEC Rule 10b5-1(c) and otherwise complies with this policy.

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Violation of the laws against insider trading can result in both civil and criminal penalties and may result in termination of your employment by the Company. Therefore, please review this policy carefully. If you have any questions, please contact the General Counsel.