

**GWG HOLDINGS, INC.**  
**AUDIT COMMITTEE CHARTER**

(as amended by the Board of Directors on October 28, 2013 and November 13, 2014)

**Introduction**

The management of GWG Holdings, Inc., a Delaware corporation (the “Company”), is responsible for the preparation, presentation and integrity of the Company’s financial statements. This process includes ensuring that the financial statements are accurate, complete and stated in accordance with generally accepted accounting principles. Although financial reporting is the responsibility of management, it is overseen by the Board of Directors of the Company (the “Board”). The Audit Committee of the Board (the “Committee”) acts for the Board under this Charter.

**1. Appointment, Qualifications and Removal**

The Committee will consist of not less than three members of the Board. Each member of the Committee will be “independent” as that term is defined in NASDAQ Listing Rule 5605(a)(2) and must meet the independence standard set forth in Rule 10A-3 under the Securities and Exchange Act of 1934.

All Committee members shall be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement, and must not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years. The Committee shall have, as one of its members, an individual who qualifies as an “audit committee financial expert” as described in the rules of the Securities and Exchange Commission (and any other applicable rules or regulations) and an individual (who may be the same person as the audit committee financial expert) who has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication. The existence of such audit committee financial expert, including his or her name and whether or not he or she is independent, shall be disclosed as required in the Company’s periodic filings with the Securities and Exchange Commission.

The members and Chair of the Committee shall be appointed by the Board and shall continue to act until their successors are appointed, but shall be subject to removal at any time by a majority of the full Board. Any vacancy resulting from removal or otherwise may be filled by the appointment of the Board.

**2. Statement of Policy**

The Committee shall oversee the accounting and financial reporting processes and internal control system of the Company and the audits of its financial statements. The Committee shall also assist the Board in fulfilling the oversight responsibilities of the Board relating to the accounting and financial processes of the Company. In so doing, it is the responsibility of the Committee to maintain free and open communication between the Committee, independent outside auditors, and the internal accounting staff and management of the Company.

### **3. Powers**

To assist the Committee in fulfilling its duties, management shall provide the Committee with information and recommendations as needed and requested. In addition, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company. At its discretion, the Committee shall have access to the Company's general counsel, if any, outside legal counsel, accounting, audit and other advisors, if it deems such access to be necessary or beneficial. The Committee shall also have the power to retain other outside advisors if, in its judgment, such action is appropriate. The Committee has the sole authority to retain and terminate any advisors, including sole authority to approve the fees and other terms for their retention and engagement. All costs incurred by the Committee with respect to the use of advisors for purposes within the scope of the Committee's responsibilities shall be paid by the Company.

### **4. Duties and Responsibilities**

The Committee will oversee the Company's financial reporting processes and internal control system on behalf of the Board. Management is responsible for preparing the Company's financial statements, and the independent auditing firm of the Company, which will be a registered public accounting firm selected by the Committee, shall be responsible for auditing those financial statements. The Committee shall be directly responsible for appointment, compensation, retention and oversight of the work of the registered public accounting firm engaged by the Company (including resolution of disagreements between management and the auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work, and such firm shall report directly to the Committee. Funding for compensation to the registered public accounting firm and all ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties shall be provided by the Company.

The Committee should take the appropriate actions to set the overall corporate tone for quality financial reporting and ethical behavior. The Committee shall adopt procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential and anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.

It is expected that the Committee will be the diligent administrator of the financial reporting process and ensure the Company's adherence to its internal financial controls. Because of this responsibility, the Board expects that the Committee will meet at least four times annually, and on at least a quarterly basis in connection with the preparation and filing of the Company's periodic reports under the Securities and Exchange Act of 1934, with additional meetings taking place if deemed necessary by the Chair or a majority of the members of the Committee. In addition, the Committee members will individually review all other reports which contain financial information filed with the SEC including all debt and stock offerings. The committees, as a whole will, at the meeting following such a filing, discuss such filings and the individual member's reviews.

### **5. Recurring Processes**

The following shall be the principal recurring processes of the Committee in carrying out its oversight responsibilities. The Committee, in carrying out its responsibilities, believes its

policies and procedures should remain flexible in order to best react to changing conditions and circumstances. The processes below are set forth as a guide, with the understanding that the Committee may supplement them as appropriate.

*Independent Outside Auditors.* The Committee shall have the sole authority and responsibility to engage, terminate and replace the auditors. The Committee shall ensure the receipt from the auditors of a formal written statement delineating all relationships between the auditors and the Company, and shall discuss with the auditors their independence from management and the Company. The Committee is responsible for taking, or recommending that the full Board take, appropriate action to oversee the independence of the auditor. The Committee also shall discuss with the auditors the overall scope and plans for its audit, including the adequacy of staffing and compensation. Annually, the Committee shall advise the Board of its selection of the Company's auditors. The Committee shall meet separately with the auditors, with and without management present, to discuss the results of the examination conducted by the auditors.

*Internal Controls.* The Committee shall discuss with management, outside consultants, if any and the independent outside auditors the adequacy and effectiveness of the accounting and financial controls, and the integrity and reliability of the Company's financial reporting, including the effectiveness of internal control systems and information technology. The Committee shall discuss with management any significant deficiencies in internal controls that have been identified by the Chief Executive Officer or Chief Financial Officer (or consultants) which could adversely affect the Company's ability to record, process, summarize or report financial data, and shall also review from time to time the issue whether the Company needs an internal audit function.

*Interim Financial Statements and Issues.* Following review of the interim financial statements by the auditors prior to the filing of the Company's Quarterly Report on Form 10-Q, or its earnings release the Committee shall discuss the results of the quarterly review with and without management present. The Committee shall be available to discuss any other matters required to be communicated to the Committee by the auditors under generally accepted auditing standards. The Committee shall, in substantially final form, approve the inclusion of the interim financial statements (and results) in the Quarterly Reports (or any earnings release) to be filed with the Securities and Exchange Commission.

*Audited Financial Statements.* The Committee shall review with management and the auditors the financial statements to be included in the Company's Annual Report on Form 10-K, including their judgment about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements. Also, the Committee shall discuss the results of the annual audit and any other matters required to be communicated to the Committee by the auditors under generally accepted auditing standards. The Committee shall make a recommendation to the Board regarding inclusion in the Annual Report of the audited financial statements.

*Non-Audit Related Services.* The Committee shall approve, in advance, the provision by the auditors of all services not related to the audit (other than with respect to *de minimis* exceptions permitted by the Sarbanes-Oxley Act of 2002). However, the authority to grant specific pre-approval between meetings, if necessary, has been delegated to the Chair of the Audit Committee. The Chair will update the committee at its next regularly scheduled meeting if any such services were so approved. Any services begun by inadvertence without prior approval will be approved as required by the Sarbanes-Oxley Act of 2002.

*Other Matters.* In addition, the Committee will:

- Ensure that the lead audit partner and the reviewing audit partner are rotated every five years, if and as applicable to the Company;
- Ensure that the Committee receive from the auditors all written disclosures and letters required by the Independence Standards Board Standard, which detail all relations between the auditors and the Company;
- Ensure that the Company has or will disclose this Charter in an appendix to the Company's annual proxy statement (or annual report) at least once every three years (or as otherwise required by applicable regulations);
- Approve the Committee report, as required by Securities and Exchange Commission rules, to be included in the Company's annual proxy statement (or annual report);
- Receive a disclosure from the Chief Executive Officer and Chief Financial Officer during their certification process for the Quarterly and Annual Reports regarding (1) any significant deficiency and material weaknesses in design or operation of internal controls and (2) any fraud, whether or not material, involving management or other employees who have a significant role in the Company's internal controls;
- Establish policies for hiring the auditors to ensure independence has not been compromised;
- Evaluate periodically its own performance as a committee;
- Perform such other services and functions consistent with this Charter, the Company's Certificate of Incorporation and Bylaws, or required by applicable law, as the Committee or the Board deems necessary or appropriate; and
- Review and reassess from time to time the adequacy of this Charter and recommend to the Board any proposed changes to this Charter.