

LIFE PARTNERS HOLDINGS, INC.
Audit Committee
CHARTER

The Board of Directors of Life Partners Holdings, Inc. (the “Company”) has established an Audit Committee (the “Committee”) with authority, responsibility, and specific duties as described in this Audit Committee Charter.

A. Composition

The Committee shall consist of three or more directors, each of whom is independent of management and free from any relationship to that, in the opinion of the Board of Directors, as evidenced by its annual selection of such Committee members, would interfere with the exercise of independent judgment as a Committee member. Each Committee member must also be able to read and understand fundamental financial statements (including the Company’s balance sheet, income statement and cash flow statement), or become able to do so within a reasonable time after being appointed to the Committee. Furthermore, at least one Committee member must have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience resulting in financial sophistication (including having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities). These requirements are intended to satisfy the Nasdaq listing requirements relating to the composition of audit committees, and shall be construed accordingly.

To maintain their independence, Committee members are barred from accepting, directly or indirectly, any consulting, advisory or other compensatory fee from the Company (or any subsidiary thereof), other than in the member's capacity as a member of the Board of Directors and any Board committee.

B. Mission Statement and Principal Functions

The Committee shall have access to all records of the Company, shall perform the following functions, and shall have and may exercise such powers as are appropriate to its purpose. The Committee shall:

- (1) Oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company;
- (2) Understand the accounting policies used by the Company for financial reporting and tax purposes and approve their application; it shall also consider any significant changes in accounting policies that are proposed by management or required by regulatory or professional authorities.
- (3) Review the Company’s audited financial statements and related footnotes and the “Management’s Discussion and Analysis” portion of the annual report on Form 10-K prior to the filing of such report, and recommend to the Board of Directors whether such financial statements shall be included in the Company’s annual report on Form 10-K, based upon the Committee’s review and discussions with the outside auditors.
- (4) Ensure that the outside auditors review the Company’s interim financial statements before the Company files its quarterly report on Form 10-Q with the SEC.

- (5) Study the format and timeliness of financial reports presented to the public or used internally and, when indicated, recommend changes for appropriate consideration by management.
- (6) Meet with the Company's legal counsels to review legal matters that may have a significant impact on the Company or its financial reports.
- (7) Insure that management has been diligent and prudent in establishing accounting provisions for probable losses or doubtful values and in making appropriate disclosures of significant financial conditions or events.
- (8) Review press releases submitted by management in connection with the release of quarterly, annual, or special financial statements. In respect thereto to recommend to the Chairman of the Board any changes that appear necessary to conform releases with appropriate professional practice.
- (9) Engage its own outside advisors, including legal counsel, financial advisors and experts in particular areas of accounting, as the Committee determines necessary, apart from counsel or advisors hired by management.
- (10) Review and reassess the adequacy of this Charter annually.

Independent Accountants:

- (9) Affirm an understanding with the outside auditors that the Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the outside auditors (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit or review services for the Company, and the outside auditors will report directly to the Committee. These oversight responsibilities include the authority to retain and to terminate the outside auditors and to approve all audit engagement fees and terms.
- (10) Ensure that the outside auditors submit to the Committee written disclosures and the letter from the auditors required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and discuss with the auditors the auditors' independence.
- (11) Maintain an active dialogue with the outside auditors regarding any disclosed relationships or services that could affect the objectivity and independence of the outside auditors, and be responsible for taking, or recommending that the Board of Directors take, appropriate action to oversee the outside auditors' independence.
- (12) Discuss with the outside auditors the matters required to be discussed by SAS 61 (Communication with Audit Committees) and SAS 90 (Audit Committee Communications).
- (13) At least annually, obtain and review a report by the independent auditor describing:
 - The independent auditor's internal quality-control procedures; and
 - Any material issues raised by the most recent internal quality-control review or peer review, or by any inquiry or investigation conducted by governmental or professional authorities during the preceding five years with respect to independent audits carried out by the independent auditor, and any steps taken to deal with such issues.

- (14) With the Chief Financial Officer, review the general scope of the annual outside audit, approve the extent and nature of such activity, and agree upon the general level of the related fees.
- (15) Consider any significant non-audit assignments given to the outside auditors and judge their impact upon the general independence of the outside auditors as they perform the annual audit.
- (16) Maintain independent contact with the senior personnel of the outside auditors and communicate freely and openly with them regarding financial developments.

Regulatory Compliance:

- (17) Cause to be maintained an appropriate regulatory compliance program covering the Company and its subsidiaries to aid compliance with the laws and regulations applicable to viatical and senior life settlement companies.
- (18) Review reports of the compliance officer covering the scope and adequacy of the compliance program, the degree of compliance and cooperation, and the implementation of corrective actions (if necessary or appropriate).

Internal Controls and Procedures:

- (19) Review periodically the scope and implications of the Company's internal financial controls and procedures and consider their adequacy.
- (20) Maintain direct access to the senior staff. If useful, require that studies be initiated on subjects of special interest to the Committee.
- (21) Review the comments on internal control submitted by the outside and internal auditors and insure that appropriate suggestions for improvement are promptly considered for inclusion into the Company's internal financial procedures.

Procedures for Handling Complaints:

- (22) Establish procedures for the receipt, retention and treatment of complaints received regarding the Company's accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by employees and non-employees of concerns regarding questionable accounting or auditing matters.

Related Party Transactions:

- (23) Review and approve all related-party transactions as required under Board policies, including those transactions required to be disclosed under Item 404 of Regulation S-K.

Special Duties:

- (24) If requested by the Chairman of the Board, make special studies of matters related to the financial operations of the Company or to allegations of managerial misconduct by its executives.

C. *Meetings*

Meetings of the Committee will be held annually after completion of the financial audit and before the filing of the annual report on Form 10-K.

Meetings shall also be held at such other times as shall be required by the Chairman of the Board or the Committee. The Chairman of the Committee and/or management of the Company may call meetings. All meetings of the Committee shall be held pursuant to the Bylaws of the Company with regard to notice and waiver thereof. Written minutes pertaining to each meeting shall be filed with the Secretary and the Committee at each Board meeting shall present an oral report.

At the invitation of the Chairman of the Committee, the Chief Executive Officer and/or the Chief Financial Officer shall attend the meetings the representatives of the independent accounting firm, and such other persons whose attendance is appropriate to the matters under consideration.

D. *Funding*

To provide for the fulfillment of the Committee's duties, the Company shall promptly pay the obligations incurred by the Committee, including the fees of any outside advisors retained by the Committee.

Approved by Board
as of June 19, 2009