



JAGUAR FINANCIAL INC.

AUDIT COMMITTEE CHARTER

COMMITTEE

The Audit Committee (the “Committee”) is composed of three or more non-employee directors of the Company (i.e. directors who are not officers or employees of the Company or any of its subsidiaries). All directors shall be independent directors under applicable legal, regulatory or stock exchange rules and requirements and shall have sufficient financial experience, financial literacy and ability to enable them to discharge their responsibilities.

The board of directors of the Company (the “Board”) appoints the members of the Committee (the “Members”) from among its members after the annual meeting of shareholders of the Company and delegates its responsibilities with the duty to report and make recommendations with respect thereto. The Members are appointed to hold office until the next annual meeting of shareholders of the Company or until their successors are appointed.

A Member may resign at any time. The Board may remove a Member at any time. The Board fills any vacancy occurring on the Committee.

The Members elect one of their number as Chair of the Committee. The Chair of the Committee reports quarterly to the Board on behalf of the Committee.

MANDATE

The purpose of the Audit Committee shall be to assist the Board in its oversight of the integrity of the financial statements of the Company, of the Company’s compliance with legal and regulatory requirements, of the independence and qualification of the independent auditors, ensuring appropriate risk management techniques are in place and financial control framework is established by management and of the performance of the Company’s independent auditors.

RESPONSIBILITIES

In assisting the Board in fulfilling its oversight responsibilities relating to the Company’s corporate accounting and reporting practices the Audit Committee shall:

1. Review and discuss with management and the independent auditors, as appropriate, the annual audited financial statements, the quarterly financial statements, Management's Discussion and Analysis accompanying such financial statements, press releases reporting financial results and any other matter required to be reviewed under applicable legal, regulatory or stock exchange requirements, and make recommendations thereon to the Board for its approval, prior to public disclosure of this information;
2. Review the results of the external audits and any changes in accounting practices or policies and the financial statement impact thereof;
3. Review the Annual Information Form and report thereon to the Board;
4. Review the performance of, terms of engagement and audit plans of the external auditors and determine through discussion with the auditors that no restrictions were placed by management on the scope of their examination or on its implementation;
5. Assess management's programs and policies regarding the adequacy, integrity and effectiveness of internal controls over the accounting and financial reporting system within the Company;
6. Recommend to the Board a firm of independent auditors for appointment by the shareholders and report to the Board on the fees and expenses of such auditors. The Committee shall have the authority and responsibility to select, evaluate and if necessary replace the independent auditors. The Committee shall have the authority to approve all audit engagement fees and terms and the Committee, or a member of the Committee, must review and pre-approve any non-audit service provided to the Company by the Company's independent auditors and consider the impact on the independence of the auditors;
7. Enquire into and report regularly to the Board, with associated recommendations, on any matter referred to the Committee;
8. Discuss with management and the independent auditors, as appropriate, financial information press releases and any financial information and earnings guidance provided to analysts and rating agencies;
9. Discuss with management and the independent auditors, as appropriate, any audit problems or difficulties and management's response, and the Company's risk assessment and risk management policies, including the Company's major financial risk exposure and steps taken by management to monitor and mitigate such exposure;
10. Obtain and review at least annually a formal written report from the independent auditors delineating the auditing firm's procedures for reviewing internal controls and any material issues raised within the preceding five years by (i) the auditing firm's internal quality-control reviews, (ii) peer reviews of the firm, or (iii) any governmental or other inquiry or investigation relating to any audit conducted by the firm. The Committee will also review steps taken by the auditing firm to address any findings in any of the

foregoing reviews. Also, in order to assess auditor independence, the Committee will review at least annually all relationships between the independent auditors and the Company;

11. Prepare and publish an annual Committee report in the Company's management information circular;
12. Set clear hiring policies for employees or former employees of the independent auditors;
13. Establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
14. Have authority to retain such outside counsel, experts and other advisors as the Committee may deem appropriate in its sole discretion and to approve related fees and retention terms.
15. Review at least annually the adequacy of this Charter and recommend any proposed changes to the Board for approval.

MEETINGS

The Committee shall meet separately at least quarterly with management and, as appropriate, with the Company's independent auditors. Notice of meetings of the Committee is given to each Member not less than 48 hours before the time where the meeting is to be held.

A quorum for a meeting of the Committee is a majority of the Members. The chair of the Committee, if present, acts as Chair of the meetings of the Committee. If the Chair of the Committee is not present at a meeting of the Committee, the Members present at the meeting may select one of their number to act as Chair of the meeting.

To the extent not set out in these terms of reference, the provisions of By-law No. 1 (a by-law regulating the business and affairs of the Company) are applicable to meetings of the Committee.