

Financial Guaranty Insurance Company
Nominating Committee Charter

I. Purpose

The Nominating Committee (the “Committee”) shall be appointed by the Board of Directors (the “Board”) of Financial Guaranty Insurance Company (the “Company”) to assist the Board in:

- (A) Identifying, screening and reviewing persons qualified to serve as directors; and
- (B) Nominating candidates for election to the Board at the annual meeting of shareholders or to fill Board vacancies, in each case in accordance with the requirements of the Company’s Amended and Restated Charter and the Company’s Amended and Restated By-laws (each as the same has been or hereafter may be amended, collectively, the “Company Charter and By-laws”).

II. Membership

The Committee's membership shall be determined by the Board and shall consist of at least three members of the Board, all of whom shall be Independent Directors (as defined below) as required by the Company Charter and By-laws. The Board shall appoint the Chair of the Committee from among its members.

The term “Independent Director” means a person that (i) is not, and has not been at any time during the past three (3) years, an officer or employee of the Company and (ii) does not have a relationship which, in the opinion of the Board, would interfere with such person’s exercise of independent judgment in carrying out the responsibilities of a director.

III. Meetings and Reports

The Committee shall meet as frequently as it or the Board determines appropriate. The Chair of the Committee, or any two other members of the Committee, may call (or reschedule) meetings of the Committee. Meetings of the Committee may be held telephonically. The Committee shall be required to act by majority vote of all members of the Committee. The Committee may act by unanimous written consent.

The Chair shall preside at all Committee meetings at which he or she is present and, with input from other Committee members, shall set the agendas for Committee meetings. All members of the Board are free to suggest items for inclusion in the agenda for the Committee's meetings. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practicable, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend all or any part of a meeting of the Committee or to

meet with any member of, or advisers to, the Committee. The Committee shall have full, free and unrestricted access to these persons and firms. The Committee may invite and permit other guests to observe all or portions of its meetings.

The Committee shall report regularly to the Board with respect to the Committee's activities. The report to the Board may take the form of an oral report by the Chair or by any other Committee member or any officer or employee of the Company designated by the Chair to make such report. The Committee shall maintain minutes or other records of meetings and activities of the Committee.

IV. Functions and Duties

In addition to and consistent with any other functions and duties expressly delegated to the Committee by the Board, the Committee shall perform the following functions and duties:

A. Director Qualification and Nomination

1. The Committee shall assess and develop criteria for selection of Board candidates, including the experience, skills and other qualifications that are desired, and discuss these qualifications with the Board periodically.
2. The Committee shall identify, screen and review persons qualified to serve as directors, consistent with these criteria and other qualifications
3. The Committee shall nominate at least two (2) candidates for each director whose term has expired or is expiring for election to the Board at the annual meeting of shareholders, and all such nominations must be expressly approved in advance by the New York State Department of Financial Services (the "NYSDFS").
4. The Committee shall nominate at least two (2) candidates to fill any vacancy on the Board for election to the Board either by a majority of directors remaining in office or by the shareholders, and all such nominations must be expressly approved in advance by the NYSDFS.
5. The Committee shall discuss with the Board any persons that it intends to select and nominate for election as a member of the Board, but the final determination as to which candidates to select and nominate shall be made by the Committee.
6. After determination by the Committee that one or more persons should be selected and nominated for election as a member of the Board, the Committee shall submit each proposed nominee for express approval of the New York State Department of Financial Services and seek to obtain such approval.
7. After obtaining the required express approvals of the NYSDFS, the Committee shall present its nominated candidates to the full Board or the shareholders (as applicable) for their consideration.

8. The foregoing provisions shall not apply to the Company's Chief Executive Officer who shall be a director by virtue of his or her office. In the case of any vacancy relating to the Company's Chief Executive Officer, the new Chief Executive Officer, upon his or her election to such office, will also be elected to replace the former Chief Executive Officer as a director.
9. The Committee shall be authorized to take any and all actions that it determines are necessary or advisable for it to comply with its responsibilities under the Company Charter and By-laws.

B. Annual Evaluation and Charter Review

1. The Committee shall evaluate its performance on an annual basis to determine whether it is functioning effectively and shall report the results of the evaluation to the entire Board.
2. The Committee shall review and assess the adequacy of this Charter on an annual basis, and shall recommend changes it deems appropriate to the Board for approval.

V. Committee's Role

Each member of the Committee, in exercising his or her business judgment in connection with the Committee's activities and oversight functions, shall be entitled to rely in good faith on the accuracy and completeness of the information, reports, opinions and statements provided to the Committee by officers and employees of the Company and those other persons and organizations from whom he or she receives information.

The Committee has the authority to retain legal counsel, search firms, consultants and other outside advisers with respect to any issue or to assist it in fulfilling its responsibilities, without consulting with or obtaining the approval of any officer of the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any advisers retained by the Committee.