

Financial Guaranty Insurance Company
Nominating Committee Charter

I. Purpose

The Nominating Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Financial Guaranty Insurance Company (the “Company”) to nominate 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, 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 the Committee’s 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 annually to nominate candidates for election to the Board at the annual meeting of shareholders and additionally as required to nominate candidates to fill Board vacancies or 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. Notice of meetings shall be given to all Committee members, or may be waived, in the same manner as required for meetings of the Board. A majority of the members of the Committee shall constitute a quorum for a meeting, and the affirmative vote of a majority of the members present at a meeting at which a quorum is present shall constitute the action 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 in such manner as the Committee shall determine is appropriate under the circumstances to fulfill its purposes:

A. Director Qualification and Nomination

1. The Committee shall develop criteria, including the experience, skills and other qualifications that are desired in light of the Company's circumstances, for the composition of the Board and the evaluation of potential director candidates, and shall periodically discuss these criteria with the Board.
2. The Committee shall identify, screen and review the qualifications and fitness of potential director candidates, consistent with these criteria.
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.
4. The Committee shall nominate at least two (2) candidates to fill any vacancy on the Board.
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. Pursuant to the Company's Rehabilitation Plan and the Company Charter and By-laws, all candidates to serve on the Board must be expressly approved by the New York State Department of Financial Services (the "NYSDFS"). Accordingly, 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 direct management to seek to obtain the express approval of the NYSDFS for each such nomination.

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 for election to the Board.
8. The foregoing provisions shall not apply to the Company's Chief Executive Officer (including any successor upon his or her election to such office) who shall be a director by virtue of his or her office, as provided in the Company Charter and By-laws.
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 adequate funding, as determined by the Committee, for payment of compensation to any advisers retained by the Committee.