



Milestone Guaranty and Assurance Corp.

CORPORATE GOVERNANCE COMMITTEE CHARTER

Roles and Responsibilities

The Objective of the Committee is to assist the Board in establishing and managing governance standards, determining criteria for the composition of the Board and its committees, identifying individuals qualified to become Board members, and developing and monitoring a process to assess the effectiveness of the Board and its committees.

Specific Functions of the Committee:

1. Develop and recommend to the Board of Directors a set of Corporate Governance Guidelines, and periodically review and make recommendation with respect to such Corporate Governance Guidelines;
2. Develop and recommend to the Board a Code of Conduct for the Corporation and a Code of Ethics for the Chief Executive Officer and Senior Financial Officers and periodically review and make recommendations with respect to such codes of conduct;
3. Make recommendations to the Board regarding the size and composition of the Board and qualifications for Board membership consistent with the By-laws;
4. Oversee the Corporation's orientation program for new Board members;
5. Review and assess the independence of each director and make recommendations to the Board on all determinations regarding director independence;
6. Identify and carefully examine individuals potentially qualified to become members of the Board, consistent with the criteria approved by the Board, and to fill vacancies on the Board in accordance with the Corporation's By-Laws;
7. Develop and recommend to the Board for its approval and annual self-evaluation process of the Board and its committees. The Committee shall oversee such annual self-evaluations;
8. Establish and oversee procedures for shareholder communication with the Board;
9. Prepare policies and procedures for the selection of a new CEO in the event of an emergency or the retirement of the CEO;

10. To consider any other matters referred to the Committee by the Board on corporate social responsibility, environmental, and governance matters.

Where the Committee seeks advice independently of management, the Committee should engage those advisers directly and request that any advice be provided directly to the Committee (or Chairman of the Committee).

Membership

The Committee is comprised of at least three members.

Reporting Lines

The Corporate Governance Committee reports to the Board of Directors.

Meetings

The Committee is to meet as required by the Committee Chairman, although it is intended that the Committee meet no less than twice each year. Committee members may attend meetings in person or by Remote Communication, Teleconferencing, Videoconferencing, Computer Conferencing or Audio Conferencing, provided that reasonable efforts are made to have all members of the Committee participate.

At meeting of the Committee, the number of Committee members whose presence is necessary to constitute a quorum is two. In the absence of the Chair, one of the Committee Members, either nominated by the Chair, or elected by the Committee, will act as the Committee Chair for that meeting. The Corporate Secretary will act as Secretary will to the Committee, unless otherwise determined by the Committee. The Chairman of the Committee, or delegate, will report to the Board following each meeting of the Committee and a copy of the minutes of each meeting of the Committee will be made available to all members of the Board subsequent to each meeting.

Review and self-assessment

The Committee will regularly assess its effectiveness with a view to ensuring that its performance is in accordance with best practice. The Committee's Charter will be reviewed and updated at least once each year, and the Chairman of the Committee will, following such review, either confirm the appropriateness of the Charter to the Board or recommend any amendments deemed desirable to the Board for approval.

