

FGIC Corporation
Restructuring Committee Charter

I. Purpose

The Restructuring Committee (the “Committee”) shall be appointed by the Board of Directors (the “Board”) of FGIC Corporation (the “Corporation”) to assist the Board in liaising with management and outside professionals regarding restructuring and other strategic options with respect to the Corporation, including, without limitation, financing and recapitalization options for the Corporation, strategies for satisfying, compromising or otherwise reducing some or all of the Corporation’s obligations and options regarding New York State Insurance Department and other regulatory matters, and assist the Board in coordinating with, and receiving interim updates from, management and outside professionals regarding matters relating to any of the foregoing.

II. Membership

The Committee’s membership shall be determined by the Board and shall consist of at least three Board members, in accordance with the stockholders agreement among Corporation and its principal and certain other stockholders. The Board shall appoint the chair of the Committee (the “Chair”) from among its members.

III. Meetings and Reports

The Committee shall meet as frequently as it determines. The Chair of the Committee shall determine whether the Committee should meet prior to any regular quarterly meeting of the Board and, if so, shall schedule such meeting. The Chair of the Committee, or any two members of the Committee, may call (or reschedule) meetings of the Committee. Meetings of the Committee may be held telephonically. 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 the other members of the Committee and the Chief Executive Officer, shall set the agenda for Committee meetings. Any member of the Board may request that one or more items be included in the agenda for the Committee’s next meeting. The Chair shall appoint a secretary of the Committee (the “Secretary”), who shall communicate the agenda and information concerning the business to be conducted at each Committee meeting to the other members of the Committee sufficiently in advance of each meeting to permit meaningful review and preparation by each Committee member.

The Committee may invite such members of the Corporation’s management, outside professionals, and other persons (including guests or other observers) to attend all or any part of a Committee meeting, or to meet with any member of or advisors to the Committee, as they deem desirable or appropriate. The Committee shall have full, free and unrestricted access to these persons and firms, including to the Corporation’s senior management and employees. Notwithstanding anything to the contrary herein, the Committee may meet in “executive” sessions without Corporation employees present.

The Secretary shall maintain a written record of the Committee's meetings, including the Committee members and other persons present and any acts authorized by the Committee, and the Chair or another member of the Committee or employee of the Corporation designated by the Chair shall report regularly to the Board to summarize the significant issues considered by, and acts authorized by, the Committee.

IV. Functions and Duties

The Committee by the Board, the Committee shall have the following duties and perform the following functions:

1. The Committee shall, as it deems appropriate in furtherance of the purpose of the Committee, liaise with management and outside professionals regarding restructuring and other strategic options with respect to the Corporation, including, without limitation, financing and recapitalization options for the Corporation, strategies for satisfying, compromising or otherwise reducing some or all of the Corporation's obligations and options regarding New York State Insurance Department and other regulatory matters, and coordinate with, and receive interim updates from, management and outside professionals regarding matters relating to any of the foregoing.
2. The Committee shall regularly report to the Board on the Committee's activities.
3. The Committee shall review and reassess, at least annually, the adequacy of this Charter, and recommend to the Board for its consideration any improvements to this Charter that the Committee considers necessary or appropriate to fulfilling its purpose as set forth herein. The Committee shall conduct such reviews and reassessments in whatever manner it deems appropriate.
4. The Committee shall discharge any other duties or responsibilities expressly delegated to it by the Board in accordance with, and subject to the terms set forth in, the paragraph below.

The Committee shall have no authority to act on behalf of the Board and shall have no right to make any determination regarding restructuring or other matters (all such determinations to be made by the Board), in each case other than with respect to specific discreet actions that relate to matters that have been approved by the Board and with respect to which a majority of the director-designees of each of the Principal Investors have voted in favor of delegation to the Committee, in which case such action may only be taken by unanimous approval of all members of the Committee; *provided, however*, that any member of the Committee shall have the right to determine that such action should not be addressed or voted upon by the Committee and instead should be addressed and voted upon by the full Board, in which case such matter shall be referred to the full Board.

The Committee has the authority to retain legal counsel, financial advisors, consultants or other outside advisors 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 Corporation.

The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any advisers retained by the Committee.

V. Resources and Authority; Committee's Role

Without in any way limiting the matters set forth in IV above, any member of the Committee shall have the right to determine that any matter, issue or question should not be addressed or considered by the Committee and instead should be addressed and considered by the full Board, in which case such matter, issue or question shall be referred to the full Board.

Each member of the Committee, in exercising his or her duties and functions as described herein, 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 Corporation, outside professionals of the Corporation and those other persons and organizations from whom he or she receives information.