



MILESTONE

Guaranty and Assurance Corp.

BOARD RISK OVERSIGHT COMMITTEE CHARTER

Roles and Responsibilities

Ultimate responsibility for risk management of the Company rest with the Board. The Committee's principal function is one of supervision, oversight and monitoring, based on information provided to it by management.

In performing the oversight responsibilities, the Committee will consider and approve, as required, the strategies, frameworks, plans, policies, processes, models, limits and regulatory requirements in place to govern risk taking that are consistent with the risk management strategy and the established risk appetite of the Company.

Specific Functions of the Committee:

1. Making recommendations to the Board concerning the Company's current and future risk appetite, risk management strategy and particular risk or risk management practices;
2. Performing oversight of the risk profile and risk management of the Company within the context of the Board-determined risk appetite;
3. Commissioning a comprehensive review on the appropriateness, effectiveness and adequacy of the risk management framework and considering the results of the report;
4. Performing oversight of the implementation and operation of the risk management framework and internal compliance and control system;
5. Reviewing management's plans to mitigate material risks faced by the Company;
6. Performing oversight of stress testing of the Group risk portfolio including both scenario analysis and sensitivity analysis;
7. Ensuring the Chief Risk Officer (CRO) and executive and management have Unfettered Access to the Committee via the Committee Secretary or Chairman of the Committee;
8. Referring any matters of significant importance to the Board for its consideration and attention.

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

The Committee has the authority to conduct or direct any investigation required to fulfill its responsibilities and has the ability to retain, at the Company's expense, such legal, accounting or other advisers, consultants or experts as it considers necessary from time to time in the performance of its duties.

Membership

The Committee is comprised of at least three members. The Committee is chaired by an Independent Director.

Reporting Lines

The Board Risk Oversight 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 a 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 to the Committee, unless otherwise determined by the Committee. The Chairman of the Committee, or a 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.

The Committee Chairman may also invite such other parties to attend meetings as deemed appropriate, including the Managing Director and the Chief operating Officer.

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.

