

NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION

Investment Committee Charter

1. Committee

The Investment Committee oversees the investment activities and all investment related issues of National, including the review for approval of “Alternative Investments”, as referred to in National’s investment criteria.

2. Purpose

The purpose of this document is to lay out the procedure whereby the Investment Committee reviews the investment activities of National and all investment related issues.

3. Definitions

Core Investment Portfolio: The portfolio of investments managed by MBIA Asset Management on behalf of National.

4. Procedure Statement

a. Investment Committee Meetings & Voting

- i. Eligible Voters: All Investment Committee members must be members of National’s Board of Directors.
- ii. Meeting Quorum: The minimum meeting quorum is three present in person, by video or by phone.
- iii. Meeting Chairperson: The Chairman of the National Board, or the Chairman’s designee, acts as the meeting Chairperson.
- iv. Votes Required for Approval: At least two positive votes are required for approval.
- v. Meeting Minutes: Including those present, the topic presented, the voters’ votes and any conditions to approval are prepared by the Legal Department.
- vi. Meeting Scheduling: Meetings are scheduled by the Legal Department at the request of any Investment Committee member.

b. E-mail Votes: At the discretion of the Chairperson with respect to decisions related to the Core Investment Portfolio, e-mail votes may be used for issues that are easily summarized and unlikely to raise substantial questions.

c. Joint Meetings: The Investment Committee may hold joint meetings with other committees to evaluate policies, procedures, criteria, limit structures or exposure strategies that encompass multiple types of risk.

d. Meeting Materials

Packages: Materials for discussion should be distributed 48 business hours prior to the scheduled meeting.

5. Scope of this Procedure

Core Investment Portfolios:

Quarterly, the Investment Committee reviews for approval the following aspects of the investment portfolios of National:

- i. Investment performance versus objectives, market conditions and market risks.
- ii. Credit quality of portfolio holdings and compliance with criteria.
- iii. Changes in investment strategies in response to prevailing market conditions.
- iv. Investment portfolio transactions executed during previous quarter.
- v. Any changes to investment criteria and any material changes to be recommended for approval by the National Board of Directors.
- vi. The investment and credit risks related to potential alternative investments within policies, criteria and limits set by the Investment Committee and determination of whether National Board approval is appropriate in any particular case.

6. Roles & Responsibilities

- a. Responsibility for Implementation of this Procedure: It is the responsibility of the Chairperson to ensure that this procedure is properly implemented.
- b. Responsibility for Approval of this Procedure: The Investment Committee is responsible for approving this procedure and for approval of any changes thereto. Investment Committee members are appointed by the National Board of Directors.
- c. Responsibility for Periodic Review of this Procedure: The Investment Committee is responsible for reviewing this charter at least annually, and for making any recommended changes to the Board of Directors for consideration and approval.

7. Procedure to Change this Charter

Changes to this charter must be explained in writing and are subject to the approval of the Investment Committee and the National Board of Directors.

8. Charter Approved on April 25, 2012