

SAGEN MI CANADA INC.
(the “Company”)

RISK, CAPITAL AND INVESTMENT COMMITTEE MANDATE

1. Purpose And Scope

The Risk, Capital and Investment Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Sagen MI Canada Inc. shall exercise the responsibilities and duties set forth below, including but not limited to, review of the Company’s business plan, risk management procedures, capital levels and portfolio investment strategies.

2. Membership

Number of Members

The Committee shall be composed of three or more members of the Board.

Term of Members

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

3. Meetings

Number of Meetings

The Committee shall meet as many times as required to carry out its duties and responsibilities.

Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

Minutes; Reporting to the Board

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

Attendance of Non-Members

The Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

Procedure

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.

4. Duties and Responsibilities

Subject to the powers and duties of the Board, the Board has delegated the following powers and duties to be performed by the Committee on behalf of and for the Board:

- (a) provide regular oversight of the Company's enterprise risk management practices, including reviewing key reports from management regarding the assessment, management and oversight of key risks affecting the Company and the Company's risk management and monitoring systems;
- (b) regularly report to the Board on the oversight of the Company's enterprise risk management practices including the systems in place to identify, measure, monitor, manage, report on and mitigate risks;
- (c) review of the Company's business plans, including: production levels and risk limits; loss assumptions and forecasts; capital adequacy and dividends; pricing targets; investment management and liquidity;
- (d) periodic review of the performance of the Company's insured books of business and the principal factors affecting their performance,
- (e) review of the Company's capital and risk performance metrics, including: leading indicators; portfolio performance and loss ratios; and regulatory capital;
- (f) review the Company's annual Own Risk and Solvency Assessment;
- (g) regularly review and approve the Company's Enterprise Risk Appetite, including: qualitative and quantitative risk appetite statements, risk limits and tolerances;
- (h) regularly seek assurances from the CRO that the Company is operating within its Risk Appetite Framework
- (i) regularly seek assurances from management that it has communicated the Company's Enterprise Risk Appetite throughout the organization and that it is embedded within the culture of the business;
- (j) review of the Company's capital management policy and recommendation to the Board;
- (k) approval of material changes to the Company's products and services, modeling practices and distribution channels;
- (l) review of management's recommended investment objectives, policies and guidelines that direct the investment of the portfolio;
- (m) review of management's recommended investment portfolio financial goals and requirements, including asset allocation, investment time horizon and capital adequacy;

- (n) review of the selection of all outside investment managers and other investment professionals, including investment management consultants, investment custodians, and such additional specialists as the Committee or management may determine;
- (o) review and evaluation of the performance of the investment portfolio and the investment managers and other investment professionals regularly, to assure adherence to policy guidelines and monitor progress toward achieving investment objectives;
- (p) approval of the termination of internal or external investment managers or advisers and other investment professionals;
- (q) review of developments regarding the Canadian federal government guarantee of the Company's insurance subsidiary's mortgage insurance policies;
- (r) review of the mortgage insurance operating environment, including the state of provincial and regional housing markets, competitive forces affecting the Company and the Company's relationships with residential mortgage lenders;
- (s) review of rating agency and regulatory matters;
- (t) review of material changes to the Company's permissible investments and allocations;
- (u) review of any individual investments that are not done in the usual course of business; and
- (v) regularly seek assurances from the CRO that the risk management function is independent from operational management, is adequately resourced, and has the appropriate status and visibility to provide objective opinions and advice to senior management and the Board.

5. Access to Management and Outside Advisors

The Committee shall have unrestricted access to management and employees of the Company. The Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Committee, for the services of these advisors.

6. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's articles and by-laws, it is not intended to establish any legally binding obligations.

7. Mandate Review

The Committee shall review and assess the adequacy of this Mandate at least biennially to ensure compliance with any rules or regulations promulgated by any regulatory body and recommend to the Board for its approval any modifications to this Mandate as considered.