

**CHARTER OF THE
RISK MANAGEMENT COMMITTEE OF
RAM REINSURANCE COMPANY LTD.**

I. Mission Statement

The purpose of the Risk Management Committee (the "Committee") of the Board of Directors (the "Board") of RAM Reinsurance Company Ltd. (the "Company") is to assist the Board in fulfilling its oversight responsibilities related to present and emerging risk issues associated with the Company's financial guaranty reinsurance activities and the Company's investment portfolio. The Board has delegated authority to a credit committee of the Company (the "Credit Committee") to underwrite and approve risks for reinsurance in a broad variety of sectors and geographical areas in accordance with the Company's Underwriting Guidelines. The Board has delegated authority to a management committee of the Company (the "Management Committee") to oversee the Company's investments in accordance with the Company's Investment Policy and Guidelines. The Committee will assist the Board in providing oversight of the Credit Committee and the Management Committee, the terms and requirements pertaining to the delegation of underwriting authority to the Credit Committee and investment authority to the Management Committee, and the terms of the Underwriting Guidelines and Investment Policy and Guidelines.

II. Membership

Each member of the Committee and the chair of the Committee (the "Committee Chair") shall be appointed by a majority vote of the Board and shall serve until such member's successor is duly appointed and qualified or until such member's resignation or removal from the Committee by a majority vote of the Board. The Committee shall be comprised of no less than three Directors.

The Corporate Secretary of the Company will serve as Secretary of the Committee unless the Board shall appoint another person to act as Secretary of the Committee.

III. Meetings

The quorum necessary for the transaction of business at a Committee meeting shall be two Committee members. Actions to be taken by the Committee shall require the affirmative vote of a majority of the votes cast by the Committee members present at any meeting. The Committee shall convene at least once annually or more frequently as circumstances require. The Committee Chair and the Secretary of the Committee will develop and distribute an agenda for each meeting in advance of such meeting. Committee members may suggest additional agenda items and, at any meeting, raise subjects that are not on the agenda.

The Committee may invite such other persons (including officers of the Company) to its meetings, as it deems necessary.

The Committee shall maintain minutes or other records of its meetings and shall give regular reports to the Board on such meetings and such other matters as required by this charter or as the Board shall from time to time specify. Reports to the Board may take the form of oral reports by the Committee Chair or any other member of the Committee designated by the Committee Chair to give such report. Except as expressly provided in

this charter, the Bye-laws of the Company or the Company's corporate governance guidelines, or as required by law, regulation or Nasdaq listing standards, the Committee shall set its own rules of procedure.

IV. Duties

The Committee shall:

1. Review and approve any material changes to the underwriting authority delegated to the Credit Committee.
2. Review and approve any material changes to the Underwriting Guidelines.
3. Oversee the underwriting process through the receipt of periodic reports in order to assure general compliance with the Underwriting Guidelines.
4. Review portfolio qualitative analyses and sectoral qualitative analyses to assess overall insurance portfolio characteristics and performance.
5. Monitor risk-based capital adequacy measures and trends over time.
6. Review surveillance activities with particular focus on the Watch List and reserve level adequacy.
7. Review market risk measures and management.
8. Review emerging regulatory, market, accounting and other trends or developments with significant risk implications.
9. Approve facultative and quota share treaties with material customers and retrocessional agreements.
10. Review and approve any material changes to the investment authority delegated to the Management Committee.
11. Review and approve any material changes to the Investment Policy and Guidelines.
12. Oversee the investment process through the selection of asset managers and the receipt of periodic reports from the Company's asset manager in order to assure general compliance with the Investment Policy and Guidelines.
13. Review the investment portfolio composition and performance
14. Review new risk management initiatives
15. Assess the performance of the Committee on a periodic basis.
16. Perform such other duties as may be delegated to it or requested by the Board.

V. Authority

The Committee shall have the authority to seek any information it requires from any Director, officer or employee of the Company in order to perform its duties and to ensure the attendance of Company officers at its meetings, if appropriate.

The Committee shall have the authority to obtain at the Company's expense and without having to seek Board approval, external or internal legal or other professional advice or assistance, on any matters within its scope of responsibility.

The Committee shall not be entitled to sub-delegate any or all of the powers and authority delegated to it. The Committee shall have the authority to conduct or authorize investigations into or studies of any matters within the Committee's scope of responsibility.

Where any decision relates to a transaction in which a member of the Committee has an interest and has not voted, the decision shall not be implemented until it has been reported at a meeting of the Board at which the member's interest has been declared.