THE WARRANTY GROUP, INC.

CORPORATE GOVERNANCE GUIDELINES

The following Corporate Governance Guidelines have been adopted by the Board of Directors (the "Board") of The Warranty Group, Inc. (the "Company") to assist the Board in the exercise of its responsibilities. These guidelines reflect the Board's commitment to monitor the effectiveness of policy and decision-making at both the Board and management levels, with the objective of enhancing stockholder value over the long term. The Board intends that these guidelines serve as a flexible framework, not as a set of binding legal obligations, and should be interpreted in the context of all applicable laws and regulations, listing rules (to the extent applicable), the Company's charter documents and other governing documents. The guidelines are subject to future refinement or changes as the Board may find necessary or advisable for the Company in order to achieve these objectives.

<u>Board Composition and Selection; Independent Directors</u>

1. Board Size. The Board consists of such number of members as the Board determines from time to time by resolution of a majority of the directors, consistent with the Company's charter documents. The Corporate Governance Committee periodically evaluates and recommends to the Board the appropriate size and composition of the Board.

2. Selection of Board Members. The Board is responsible for nominating members for election to the Board annually and for filling vacancies on the Board. The Corporate Governance Committee recommends director nominees to the Board. The Board's approval of nominations must be by resolution of a majority of the directors.

3. Board Membership Criteria. The Corporate Governance Committee works with the Board on an annual basis to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members. In evaluating the suitability of individual Board members, the Board takes into account many factors, including their business and professional accomplishments, judgment, ethics, integrity and values, demonstrated ability to make independent analytical inquiries, ability to understand the Company's business and willingness to devote the necessary time to Board duties. The Board evaluates each individual in the context of the Board as a whole, with the objective of establishing a Board that can best perpetuate the success of the Company's business and represent stockholder interests through the exercise of sound judgment, using its diversity of experience. In determining whether to recommend a director for re-election, the Corporate Governance Committee also considers the director's past attendance at meetings and participation in and contributions to the activities of the Board.

4. Board Composition – Independent Directors. The Company is deemed a "controlled company" and will qualify for and may from time to time rely upon the "controlled company" exception to the board of directors and committee composition requirements under any applicable listing rules. Pursuant to such exception, the Company is exempt from rules that would otherwise require that the Board be comprised of a majority of independent directors. Those directors who are to be independent must satisfy applicable criteria for independence, and the Board determines whether each independent director has no material relationship with the Company or its affiliates, other than serving as a director and owning securities of the Company.

5. Term Limits. The Board does not believe it should limit the number of terms for which an individual may serve as a director. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with and understanding of the Company's history, policies and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve and adopt new viewpoints through the evaluation and nomination process described in these Guidelines.

6. Directors with Significant Job Changes. Any director who changes his or her employer or otherwise has a significant change in job responsibilities should notify the Chairman of the Corporate Governance Committee. The Corporate Governance Committee reviews the continued appropriateness of such director's membership on the Board under these circumstances and makes a recommendation to the full Board as to whether or not the director should be asked to resign from the Board. If so requested by the Board, the director may be required to submit a letter of resignation.

7. Director Service on Other Boards. A director should also notify the Chairman of the Corporate Governance Committee before accepting an invitation to serve on another company board. This requirement will not apply to a director serving on the board of directors of a not-for-profit company.

8. Conflicts of Interest. All directors must comply with the applicable provisions of the Conflicts of Interest section of the Company's Code of Conduct. If an actual or potential conflict of interest develops for any reason, including, without limitation, because of a change in the business operations of the Company or a subsidiary, or in a director's circumstances, the director should immediately report such matter to the General Counsel of the Company for evaluation. The General Counsel has the discretion to report any or all such actual or potential conflicts to the Chairman of the Corporate Governance Committee for review and determination, but is required to report to the Chairman of the Corporate Governance Committee all such conflicts that are material. For purposes of this policy, an actual or potential conflict of interest is considered to be material if it would require proxy statement disclosure or if it involves a relationship with a significant competitor of the Company. If a significant conflict cannot be resolved, the director may be required to resign.

If a director has a personal interest in a matter before the Board, the director must disclose the interest to the Board, excuse himself or herself from participation in the discussion and not vote on the matter.

9. Selection of Chairman of the Board and CEO. The Board selects the Company's Chairman of the Board and Chief Executive Officer ("CEO") in the manner that it determines to be in the best interests of the Company's stockholders. The Board has the discretion to decide whether it is best for the Company at any time for the roles of Chairman of the Board and CEO to be combined or separate, and if separate, whether the Chairman of the Board should be independent. Further, if the Chairman of the Board is not independent, the Board has the discretion to decide whether a Presiding Independent Director should be elected by the independent directors and to determine the role of such Presiding Independent Director.

Board and Management Responsibilities

10. Board Responsibilities. The basic responsibility of directors is to exercise their business judgment to act in a manner they reasonably believe is in the best interest of the Company and its stockholders and in a manner consistent with their fiduciary duties. In discharging their responsibilities, directors are entitled to rely on the information provided to them by the Company's senior executives and its outside advisors and auditors, to the fullest extent permitted by law. Each director is expected to be familiar with the Company's business, to review in advance of Board meetings all related materials distributed to the Board and to attend and participate in meetings of the Board and any committee on which such director serves. The Board will satisfy itself that Management has a system in place to manage risk which is appropriate given the Company's business model, that the risks inherent in the Company's business strategy are appropriate and that the risk management system operates to inform the Board of the material risks facing the Company.

11. Management Responsibilities. Management is responsible for operating the Company in an effective, ethical and legal manner designed to produce value for the Company's stockholders consistent with the Company's policies and standards, including these Guidelines. Management is responsible for enforcing and complying with mandatory provision of the Company's policies and standards. Senior management is responsible for understanding the Company's revenue-producing activities, managing the material risks of the Company's business and keeping the Board apprised of material risk management issues on a timely basis.

Board Meetings; Involvement of Management

12. Board Meetings – Agenda. The Chairman of the Board sets the agenda for each Board meeting, and distributes this agenda in advance to each director. The Chairman of the Board may, as appropriate, solicit suggestions from other directors as to agenda items for Board meetings.

13. Advance Distribution of Materials. All information relevant to the Board's understanding of matters to be discussed at an upcoming Board meeting is distributed in writing or electronically to all members in advance, whenever feasible and appropriate, to facilitate the efficient use of meeting time. In preparing this information, management ensures that the materials distributed are as concise as possible, yet gives directors sufficient information to make informed decisions. The Board acknowledges that certain items to be discussed at Board meetings are of an extremely sensitive nature and that the distribution of materials on these matters prior to Board meetings may not be appropriate. In the event that information is not provided to directors in advance of a meeting, reasonable steps are taken to permit the directors to become reasonably informed as to a matter before voting on it.

14. Access to Management and Employees. The Board has complete access to Company management and employees in order to ensure that directors can ask all questions and ascertain all information necessary to fulfill its duties. Management is encouraged to invite Company personnel to any Board meeting at which their presence and expertise would help the Board fully understand matters being considered.

15. Executive Sessions of Independent Directors. The independent directors of the Company meet regularly in executive session, with no management directors or management present. These executive-session discussions may include such topics as the independent directors determine. During these executive sessions, the independent directors have access to members of senior management and other guests as the independent directors determine.

<u>Succession Planning; Performance Evaluation; Compensation</u>

16. Succession Planning. As part of the annual officer evaluation process, the Corporate Governance Committee works with the CEO to plan for CEO succession, as well as to develop plans for interim succession for the CEO in the event of an unexpected occurrence. Succession planning may be reviewed more frequently by the Board as it deems warranted.

17. Board Self-Evaluation. The Corporate Governance Committee is responsible for facilitating an annual evaluation of the performance of the full Board and reports its conclusions to the Board. In addition, each committee is responsible for preparing an annual performance self-evaluation and reports the results to the Board.

18. Director Compensation. Management reports to the Corporate Governance Committee or the full Board on an annual basis as to how the Company's director compensation practices compare with those of comparable corporations. The Corporate Governance Committee leads the Board, as necessary, in reviewing its director compensation practices and considering whether changes to such practices are appropriate.

19. Stock Ownership Guidelines. The Board believes that, in order to more closely align the interests of directors with the interests of the Company's stockholders, all directors should maintain a minimum level of ownership of shares of the Company's common stock. The Corporate Governance Committee is responsible for establishing and periodically reviewing the share ownership guidelines for directors.

<u>Committees</u>

20. Number and Type of Committees. The Board has four principal committees - an Audit Committee, a Compensation Committee, a Corporate Governance Committee and an Investment Committee. The Board may add new committees or remove existing committees as it deems advisable in the fulfillment of its primary responsibilities. Each committee performs its duties as assigned by the Board in compliance with Company by-laws and the committee's charter. Committee duties are described briefly as follows:

- <u>Audit Committee</u>. The Audit Committee oversees the Company's accounting and audit processes. The committee is directly responsible for the appointment, compensation, retention and oversight of the Company's independent auditors.

- Compensation Committee. The Compensation Committee (i) discharges the Board's responsibilities relating to compensation of the Company's executive officers and (ii) reviews and recommends to the Board compensation plans, policies and programs intended to attract, retain and appropriately reward employees.

- Corporate Governance Committee. The Corporate Governance Committee is responsible for identifying, evaluating and recommending to the Board individuals qualified to be directors of the Company. It is also responsible for developing and recommending to the Board policies and practices with respect to corporate governance.

- Investment Committee. The Investment Committee assists the Board in oversight of investment policies, strategy and programs and the risk associated with investments of the Company and its subsidiaries. Oversight of financial risk, however, is primarily the responsibility of the Audit Committee.

21. Composition of Committees; Committee Chairpersons. The Corporate Governance Committee, in consultation with the Chairman of the Board, annually assesses the appropriate size and composition of the Board committees and recommends to the Board any changes to committee assignments. The Board is responsible for the appointment of committee members and committee chairpersons according to criteria that it determines to be in the best interest of the Company and its stockholders. The Board believes the committee assignments should be based on the director's knowledge, interests and areas of expertise. The Board believes experience and continuity are more important than rotation and that Board members should only be rotated if rotation is likely to improve committee performance or facilitate the work of the committee.

22. Committee Meetings and Agenda. The chairperson of each committee is responsible for developing, together with relevant Company senior managers, the committee's general agenda and objectives and for setting the specific agenda for committee meetings. The chairperson and committee members determine the frequency and length of committee meetings consistent with the committee's charter.

Miscellaneous

23. Ability to Retain Outside Advisors. The Board, and each of its committees, has access to all resources and authority necessary to discharge its duties, including the authority to retain outside counsel or other experts or consultants, as it deems appropriate.

24. Orientation for New Board Members. The Corporate Governance Committee is responsible for oversight of the orientation process for new directors.

25. Review of Governance Guidelines. The Board periodically reviews these guidelines, and considers other corporate governance principles that may, from time to time, merit consideration by the Board.

As adopted by the Board of Directors, April 20, 2010