

STEWART INFORMATION SERVICES CORPORATION

GUIDELINES ON CORPORATE GOVERNANCE

I. Introduction

The governing statute for Stewart Information Services Corporation (“Company”) states that the powers of the Company will be exercised by or under the authority of the Board of Directors (“Board”) and that the business and affairs of the Company will be managed under the Board’s direction. Within that broad grant of authority, the principal responsibility of the Board is to discharge its responsibilities as representative of the Company’s stockholders so as to promote the successful performance of the Company. The Board, acting as such, has four primary functions:

- (i) to select, compensate and evaluate the Co-Chief Executive Officers and to review succession planning in the event of the disability, death, retirement or departure of both of them;
- (ii) to review and evaluate the Company’s performance against broad financial objectives, major strategies and plans and actions of the Company;
- (iii) to provide direction, advice and counsel to the Co-Chief Executive Officers; and
- (iv) to review the Company’s systems and practices designed to bring about compliance with applicable laws and regulations.

The Board has established the following Guidelines, which it will review and may change from time to time. The Guidelines are intended to assist the Board in the exercise of its responsibilities. These Guidelines are not intended to change or interpret any Federal or State law or regulation or the Certificate of Incorporation or Bylaws of the Company.

II. Functioning of the Board

Size of the Board: The Board is comprised of nine members, five of whom are elected annually by the holders of the Company’s Common Stock and four of whom are elected annually by the holders of the Company’s Class B Common Stock. The Board is supplemented by Advisory Directors, whose number may vary from time to time, depending on the need for, and availability of, qualified candidates, retirements of Board members and other factors.

Mix of Outside and Inside Directors: The Board will maintain a substantial degree of independence from management. A majority of the Directors will be “independent” as defined in the rules of the New York Stock Exchange (the “NYSE”) as in effect from time to time. The Company’s Co-Chief Executive Officers will be expected to serve as Directors and, depending upon circumstances, succession planning and other factors, it is expected that other senior officers may serve as non-independent members of the Board from time to time.

Executive Sessions of Independent Directors: The independent Directors of the Company, as they are determined by the Board from time to time in accordance with law and rules of the NYSE, will meet in regularly scheduled executive sessions at such times and for such reasons as they determine. The Chairman of the Company’s Audit Committee will serve as

the Presiding Independent Director and will preside at executive sessions of the independent Directors.

Assessing Board Procedures: The Board will review from time to time its procedures and processes, including these Guidelines.

Director Compensation Review: The Board will review the compensation of Directors annually. This review will be based in part on surveys of director compensation among other publicly traded U.S. companies similarly situated, taking into account legal principles and stock exchange rules as to the independence of directors.

Attendance at Annual Meetings of Stockholders: Member of the Board are strongly encouraged to attend in person the Company's annual meetings of its stockholders.

III. Board Membership

Board Composition: Recognizing that the contribution of the Board will depend not only on the character and capacities of the Directors taken individually but also on their collective strengths, the Nominating and Governance Committee of the Board, as hereinafter provided for, will seek out highly qualified candidates who bring relevant experience and judgment to the Company.

Selection Criteria: The benefit to stockholders of having independent Directors is derived from the Directors' ability, judgment, objectivity and diverse experience and background. In considering candidates for election as independent Directors, the Nominating and Corporate Governance Committee and the Board will be guided in general by the composition guidelines established above and in particular by the following:

- A. Each Director should be an individual of the highest character and integrity and have an inquiring mind, experience at a strategy or policy-setting level, or otherwise at a high level of specialized expertise, and the ability to work well with others. Special expertise or experience that will benefit the growth of the Company's business is particularly desirable.
- B. Each Director should have sufficient time available to devote to the affairs of the Company in order to carry out the responsibilities of a Director and, absent special circumstances approved by the Board, no Director should be simultaneously serving on the boards of directors of more than three other entities, excluding non-public companies such as those related to personal or family business and charitable, educational or other non-profit entities. Directors are not qualified for service on the Board unless they are able to make a commitment to prepare for, and attend, meetings of the Board and its committees on a reasonably regular basis.
- C. Each independent Director should be free of any significant conflict of interest that would interfere with the independence and proper performance of the responsibilities of a Director.

- D. Directors to be nominated for election by the holders of the Company's Common Stock should not be chosen as representatives of a constituent group or organization; rather, each should utilize his or her unique experience and background to represent and act in the best interests of all stockholders as a group.
- E. Directors should have an equity ownership in the Company. Toward that end, each non-employee Director will be paid a portion of his or her Director's fees in the Company Common Stock pursuant to the Company's 1996 Director Stock Plan, or any successor plan, but only to the extent permitted by law and stock exchange rules.

Continuation of Service

- A. Though circumstances may determine an earlier date, and Directors are subject to nomination and election annually, Directors (but not Advisory Directors) are normally expected to retire at the age of 80. Generally, retirement will occur as of the date of the annual meeting of stockholders first occurring following the Director's 80th birthday.
- B. At the time the Nominating and Corporate Governance Committee develops its annual slate of Directors for recommendation for election or reelection by the holders of the Company's Common Stock, it will review and consider all factors, including a demonstrated commitment to service on the Company's Board, related to continuation of service for each Director.

IV. Board Committees

The Nature of Committees: The purpose of Board Committees is to help the Directors effectively and efficiently fulfill their responsibilities. The Board has established four standing Committees and may establish ad hoc committees for specific purposes from time to time.

- A. **Executive Committee:** The Executive Committee has the authority of the Board, subject to the limitations of law and those set forth in the Company's bylaws. The Executive Committee meets during the intervals between meetings of the Board to consider matters that may require action prior to the next Board meeting or to comply with or permit certification of certain recurring technical or legal requirements. Actions taken by the Executive Committee will be reported to the full Board at the next meeting.
- B. **Audit Committee:** The Audit Committee will consist entirely of independent Directors and in such regard will consist of Directors meeting not only the general requirements of independence provided by law and stock exchange rules, but also any special rules thereunder applicable to Audit Committee members specifically. Each member of the Audit Committee will advise the Board of Directors should such member serve on more than two audit committees of other companies with securities registered under the Securities Exchange Act of 1934, as amended. The Audit Committee charter adopted by the Board will govern the responsibilities and activities of the Audit Committee.

- C. **Compensation Committee:** The Compensation Committee will consist entirely of independent Directors. The Compensation Committee charter adopted by the Board will govern the responsibilities and activities of such Committee.
- D. **Nominating and Corporate Governance Committee:** The Nominating and Corporate Governance Committee will consist entirely of independent Directors. The charter of the Nominating and Corporate Governance Committee will govern the responsibilities and activities of such Committee.
- E. **Ad Hoc Committees:** Ad Hoc Committees may be established from time to time by the Board with responsibility for a particular matter of business or specific issue.

Committee Agenda: The Chairman of each Committee, in consultation with the Secretary of the Company, will develop the Committee's agenda. The Chairman of the Board and other Committee members may also suggest the inclusion of items on a Committee's agenda.

Committee Chairmen: The Chairman of each Committee will act as a spokesman for the Committee and provide recommendations and guidance to the Board and the Chairman of the Board.

V. Directors' Meetings

Agenda: The Chairman of the Board, in consultation with the Co-Chief Executive Officer(s) and the Secretary of the Company, will establish the agenda for each meeting of the Board. Directors may request the inclusion of additional items.

Board Meeting Materials Distributed in Advance: Information and materials will be distributed in advance of Board meetings on a regular basis or where otherwise useful to the Directors' understanding or to facilitate discussion.

VI. Director Oversight of Corporate Management

Selection of Officers: The Board is responsible for the election of the officers of the Company and the appointment of members of Board Committees.

Evaluation of Co-Chief Executive Officers' Performance: Evaluation of the Co-Chief Executive Officers' performance will be made at least once each year by the Compensation Committee, will be reported to the independent Directors and will then be discussed with each of the Co-Chief Executive Officers.

Management Development and Succession Planning: The Co-Chief Executive Officers will make an annual report to an executive session of the independent Directors on management development and succession planning, and the Board will annually consider such matters.

Self-Evaluation: The Board will annually conduct a self-evaluation, focusing on whether it and its Committees are functioning effectively and on any other matters that it may determine are appropriate.

Director Education: The Board will develop procedures for orientation and continuing education of its members and may request representatives of any Committee to assist therewith.

Outside Advisors: Each Committee of the Board may retain its own legal or other advisors from time to time as it may, in its discretion, believe necessary and will be responsible for the terms of any such engagement. Except as otherwise provided in the charter of the Committee, the compensation of any such advisors must be approved in advance by the Board or the Executive Committee.

Access to Management and Information: Directors will have reasonable access to the Company’s Co-Chief Executive Officers, Chief Financial Officer and Chief Accounting Officer and information therefrom, as may be necessary or appropriate for the purpose of carrying out their duties and activities with respect to the Company.

VII. Relationships with Stockholders

Role: The Directors serve as representatives, and act on behalf, of all the stockholders of the Company.

Correspondence with Directors: Stockholders who desire to communicate to the Directors with respect to their views and concerns are encouraged to do so by writing to the Secretary of the Company, who will insure that the Chairman of an appropriate Committee of the Directors receives such correspondence. Comments provided on proxy cards by stockholders will be summarized and provided to the Directors.

As Adopted by the Board of Directors
and including all amendments through _____

Max Crisp
Secretary
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