

STEWART INFORMATION SERVICES CORPORATION

SECURITIES TRADING AND INVESTMENT POLICY

I. PURPOSE AND SCOPE

This Policy is intended to provide guidance to all Company Employees of Stewart Information Services Corporation and all of its subsidiaries (collectively, the “Company”) with regard to transactions involving the Company’s Securities and Securities of certain other issuers. All Company Employees must become familiar with and comply with the provisions of this Policy in order to avoid situations that might be detrimental to the Company. Anyone seeking clarification of this Policy should contact the office of the Chief Legal Officer. Certain capitalized terms used in this Policy are defined in Article VIII hereof.

Any breach of this Policy will constitute a disciplinary offense and may result in discipline, including termination of employment.

II. GENERAL POLICY PERTAINING TO SECURITIES TRANSACTIONS

A. Trading While in Possession of Material, Non-Public Information

Company Employees may not, *while in possession of any Material, Non-Public Information concerning any issuer of Securities, including the Company*, buy, sell or recommend the purchase or sale of such Securities for his or her own account or the accounts of others, including the Company. Trading in Securities under such circumstances is prohibited even though the investment decision may be based upon public information.

Examples of Non-Public Information which could be deemed Material include:

1. Advance earnings reports;
2. Proposed major acquisitions or investments;
3. Substantial defrauding of the Company by an Insider or other situations that could affect the market price of the Company’s Securities when made public;
4. Widespread management reorganizations;
5. Increase or decrease in dividend payments;
6. Securities offerings;
7. Major new customers or products; and
8. Pending litigation or governmental proceedings.

This list is not exhaustive. If in doubt concerning the propriety of trading at a particular time due to possession of sensitive, non-public information, the materiality of which is not clear, an inquiry should be made to the office of the Chief Legal Officer. Note that in addition to conventional purchases and sales of common stock, gifts and pledges of shares, and

transactions in puts, calls, warrants, convertible securities, and other derivatives based on the price of Company shares can give rise to insider trading liability.

B. Consultants and Temporary Employees; Family Members

The prohibition against trading while in possession of Material, Non-Public Information applies to all persons connected with the Company, including consultants and temporary employees. It is the responsibility of supervisory Company Employees to ensure that consultants and temporary employees who have access to Material, Non-Public Information about the Company understand the prohibition against insider trading and tipping.

The same prohibition applies to Company Employees' family members and others in the Company Employees' household. It is the responsibility of each Company Employee to ensure that family members and others living in their household comply with this Policy.

C. Transactions Involving Securities Issued by the Company

Investments and trades in Company Securities are prohibited for a period starting two weeks prior to the end of the Company's quarterly or annual fiscal periods and ending at least 24 hours (or one market day) after earnings reports have been released to the news wire services (a "blackout period").

Company Employees are also prohibited from entering a trade immediately after the Company has made any other public announcement of Material, Non-Public Information. Because Company shareholders and the investing public should be afforded the time to receive the information and act upon it, as a general rule Company Employees should not engage in any transactions until at least 24 hours (or one market day) after the information has been released. For example, if an announcement relating to Material, Non-Public Information is made on a Monday before the trading markets open, Company Employees will be prohibited from trading until Tuesday.

This Policy is not intended to discourage investments in Company Securities.

D. Special Situations

1. Employee Benefit Plans.

The trading prohibitions and restrictions set forth in this Policy do not apply to periodic contributions by the Company or by Company Employees to employee benefit plans (e.g., 401K or stock purchase plans) which are used to purchase Company Securities pursuant to the employees' advance instructions. Company Employees, however, may not alter their instructions regarding the purchase or sale of Company Securities in such plans, or make discretionary transfers into or out of Company Securities in such plans, while in the possession of Material, Nonpublic Information.

2. Rule 10b5-1 Trading Plans.

Company Policy permits Company Employees to trade in Company Securities regardless of their awareness of Material, Non-Public Information if the transaction is made pursuant to a prearranged trading plan that was entered into when the employee was not in possession of Material, Non-Public Information (a “Rule 10b5-1 Trading Plan”). Such plan must meet the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Section 16 Reporting Persons must contact the office of the Chief Legal Officer prior to executing any Rule 10b5-1 Trading Plan and any trade thereunder.

3. Certain Prohibited Transactions.

The Company considers it improper and inappropriate for any of our Company Employees to engage in short-term or speculative transactions in our Securities or in other transactions in our Securities that may lead to inadvertent violations of the insider trading laws. Therefore, it is our policy that Company Employees may not engage in any of the following transactions (whether during or outside of a blackout period):

- *Short-term Trading.* Short-term trading of our Securities may be distracting to you and may unduly focus you on our short-term stock market performance instead of our long-term business objectives. For these reasons, any Company Employee who purchases our Securities in the open market may not sell any Company Securities during the six months following the purchase. The prohibition applies only to purchases in the open market, and does not apply to stock option exercises or other employee benefit plan acquisitions.
- *Short sales.* Short sales of our Securities (i.e., sales of Securities that are not then owned) evidence an expectation on the part of the seller that the Securities will decline in value, and therefore signal to the market that the seller has no confidence in the Company or our short-term prospects. In addition, short sales may reduce the seller’s incentive to improve our performance. For these reasons, short sales of our Securities are prohibited. In addition, Section 16(c) of the Exchange Act prohibits our officers and directors from engaging in short sales.
- *Publicly Traded Options.* A transaction in options is, in effect, a bet on the short-term movement of our shares of common stock and therefore creates the appearance that the Company Employee is trading based on Material, Non-Public Information. Transactions in options also may focus the Company Employee’s attention on short-term performance at the expense of our long-term objectives. Accordingly, transactions in puts, calls or other derivative securities, on an exchange or in any other organized market, are prohibited.

- Standing Orders. Standing orders should be used only for a very brief period of time. A standing order placed with a broker to sell or purchase our shares of common stock at a specified price leaves you with no control over the timing of the transaction. A standing order transaction executed by the broker when you are aware of Material, Non-Public Information may result in unlawful insider trading.
- Hedging Transactions. Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow a Company Employee to lock in much of the value of his or her shares of common stock, often in exchange for all or part of the potential for upside appreciation in the shares. These transactions allow the Company Employee to continue to own the covered shares of common stock, but without the full risks and rewards of ownership. When that occurs, the Company Employee may no longer have the same objectives as our other shareholders. Therefore, Company Employees are prohibited from engaging in any such transactions.
- Margin Accounts and Pledges. Securities held in a margin account or pledged as collateral for a loan may be sold without your consent by the broker if you fail to meet a margin call or by the lender in foreclosure if you default on the loan. Because a margin sale or foreclosure sale may occur at a time when you are aware of Material, Non-Public Information or otherwise are not permitted to trade in our Securities, you are prohibited from holding our Securities in a margin account or pledging our Securities as collateral for a loan. An exception to this prohibition may be granted where you wish to pledge our Securities as collateral for a loan (not including margin debt) and clearly demonstrate the financial capacity to repay the loan without resort to the pledged Securities. If you wish to pledge Company Securities as collateral for a loan, you must submit a request for approval to the office of the Chief Legal Officer at least two weeks prior to the proposed execution of documents evidencing the proposed pledge.

III. ADDITIONAL GUIDELINES FOR SECTION 16 REPORTING PERSONS

A. Company Employees Subject to Section 16

In addition to the above restrictions, the officers and directors of the Company and beneficial owners of 10% or more of the Company's Securities (collectively, the "Section 16 Reporting Persons") must contact the office of the Chief Legal Officer prior to executing any trade involving the Company's Securities.

B. Reporting of Changes in Beneficial Ownership

Section 16(a) of the Exchange Act requires reporting to the Securities and Exchange Commission (the "SEC") by Section 16 Reporting Persons of any and all changes in

beneficial ownership of the Company's Securities. An initial ownership report is filed with the SEC on Form 3. In general, upon the sale or purchase of any shares of the Company's common stock or other Securities, or the grant or exercise of any stock options, a Form 4 must be filed with the SEC to report the change in beneficial ownership. Certain other changes in beneficial ownership are also required to be reported on Form 4. The Form 4 is due within two days after the change in beneficial ownership occurred. A Form 5 is due on or before the 45th day after the end of the fiscal year to disclose transactions and holdings exempt from prior reporting, as well as transactions and holdings that should have been reported previously but were not. If the proper forms are not timely filed, the Company must disclose such delinquencies in its next annual proxy statement.

C. Short-Swing Transactions

In general, Section 16(b) of the Exchange Act provides that any profit realized by a Section 16 Reporting Person in connection with a purchase and a sale of the Company's stock or other Securities within a six-month period must be paid to the Company and cannot be retained by the Section 16 Reporting Person. For this purpose, it does not matter whether the purchase or sale occurs first. It is also not necessary for the same shares or Securities to be involved in each of the matched transactions. Transactions are paired so as to match the lowest purchase price and the highest sales price within a six-month period, thus obtaining the maximum spread. The courts may apply these provisions with mechanical rigidity to require the maximum payment by the Section 16 Reporting Person; moreover, *good faith on the part of the Section 16 Reporting Person is no defense.*

The rules apply to all of the Company's stock or other Securities "beneficially" owned by a Section 16 Reporting Person. Beneficial ownership may include indirect ownership of Securities, for example, through trusts or estates. In some circumstances, Securities held by close relatives of a person may be considered to be owned beneficially by such person, and a purchase (or sale) by one person may be matchable with a sale (or purchase) by a close relative to produce a recoverable profit.

IV. CONFIDENTIALITY

Company Employees are responsible for maintaining the confidentiality of information concerning the Company. In the context of the antifraud provisions of federal securities laws, the duty not to disclose Material, Non-Public Information has far reaching implications. The Exchange Act imposes upon sellers or buyers of Securities who are in possession of Material, Non-Public Information an affirmative duty either to disclose before trading or to abstain from trading. When the buyer or seller is a corporate Insider, who has a duty not to disclose, the only option is not to trade.

The law also imposes "tipper liability" upon anyone who discloses, for other than a corporate purpose, Material, Non-Public Information to an outsider who either utilizes that information to effect changes in an investment portfolio or passes the information along to someone else who effects such changes, even though the Tipper does not profit.

V. INQUIRIES FROM THE INVESTMENT COMMUNITY AND DISCUSSIONS WITH UNDERWRITERS, ANALYSTS AND OTHER OUTSIDE CONSULTANTS

All inquiries from the investment community must be forwarded to Ted C. Jones. All responses to such inquiries from the investment community must be by individuals designated by Ted C. Jones. All communications with securities analysts, institutional investors and similar parties by authorized individuals must:

1. Avoid giving an inquirer information that the issuer would not willingly give or has not given to the press for publication;
2. Avoid giving information to one inquirer that would not be given to another; and
3. Be published immediately if any substantive unpublished information is revealed during the course of a discussion with any analyst, institutional investor or similar party.

VI. DISSEMINATION OF MATERIAL, NON-PUBLIC INFORMATION FOR SPECIFIC CORPORATE PURPOSES TO ACCOUNTANTS, LAWYERS AND SIMILAR OUTSIDE CONSULTANTS

When a Company Employee reveals Material, Non-Public Information for a corporate purpose, the information must be specifically designated as confidential. For example, Material, Non-Public Information which is given to an investment banker retained to assist in an acquisition is confidential information which may legitimately be given to the investment banker. It is, in other words, for a “corporate purpose.” Nevertheless, to avoid Tipper liability, the Company Employee involved must make it clear that the information is confidential. In some instances the office of the Chief Legal Officer may require the use of a written confidentiality agreement.

Before revealing Material, Non-Public Information to outsiders, a Company Employee should be satisfied that the outside law firm, rating service, investment bank, accountant and other outside consultant to whom Material, Non-Public Information is being given has internal compliance procedures in place to guard against the misuse of such Material, Non-Public Information.

VII. PENALTIES AND OTHER SANCTIONS

Liability for the misuse of Material, Non-Public Information in connection with securities transactions varies depending upon whether the action is a civil proceeding or an enforcement proceeding instituted by the SEC.

The Insider Trading and Securities Fraud Enforcement Act of 1988 gives the SEC the authority to seek civil monetary penalties of up to three times the amount of profit realized or loss avoided for illegal insider trading or tipping. As a general rule, the profit realized or loss avoided will be computed so as to produce the maximum penalty. The SEC may also impose civil monetary

penalties against corporate entities, employers or other control persons for violations by their employees or controlled persons, or for failing to take the appropriate steps to prevent the occurrence of such violations. In addition, (i) consequential damages for fraud may be recovered, (ii) pre-judgment interest may be awarded at the discretion of the court and (iii) the Insider may be permanently enjoined from engaging in any further securities transactions.

A violator of any provision of the Exchange Act can also be prosecuted criminally if the requisite elements of intent are shown; this could result in a fine of up to \$5,000,000 or up to twenty years imprisonment or both.

Company Employees should be aware that if their transactions in Company Securities and/or Securities of certain other issuers become the subject of scrutiny, the transactions will be viewed after-the-fact with the benefit of hindsight. Therefore, before engaging in any transactions, Company Employees should carefully consider how the SEC and others might view the transaction in hindsight.

Willful violation of the securities laws by any Company Employee is grounds for dismissal, whether or not such violation is the subject of any SEC prosecution or civil litigation.

VIII. DEFINITIONS

“Company Employee” means any director, officer or active employee, including both official and clerical, full or part time, of the Company.

“Insider” means, for the purposes of this Policy and the provisions of the securities laws upon which they are based (primarily Section 10(b) of the Exchange Act), any Company Employee. Also, Company Employees are potentially Insiders of the persons and entities with which they do business due to special access to their information intended to be utilized for a corporate purpose. Immediate family members, family trusts and close associates may also be considered Insiders.

Examples:

1. An executive of Company X who received Material, Non-Public Information about Company Y from Company Y’s CEO, a long-time friend and business associate, was held to be a “temporary Insider” of Company Y.
2. A secretary who prepares documents relating to a pending acquisition is an Insider of both parties to the acquisition.

“Material, Non-Public Information” means any information, written or oral, that is not generally available to the public and, because of its nature, might affect the value of a corporation’s Securities. Information may typically be considered generally available to the public two business days after it is first disclosed to the public.

“Securities” means *both* equity and debt issues, voting or non-voting.

“Tipper” means one who discloses Material, Non-Public Information, other than for a corporate purpose, to a third party who then either effects beneficial changes in an investment portfolio or passes the information along to someone else who effects such changes.