

Assured Guaranty Anti-Bribery Policy

Assured Guaranty Ltd. and its subsidiaries (which we collectively call “**Assured Guaranty**” or the “**Company**”) are committed to conducting their business fairly, honorably, with integrity and in the letter and the spirit of applicable anti-bribery and anti-corruption laws and requirements, including the U.S. Foreign Corrupt Practices Act of 1977, as amended (referred to as the “**FCPA**”) and the UK Bribery Act 2010 (the “**Bribery Act**”), and to refrain from extending invitations for business entertainment or making gifts that bear even the appearance of impropriety.

The basic tenets of Assured Guaranty’s Policy are that:

- Assured Guaranty does not pay bribes to government officials, private company executives or to anyone to obtain business or to gain an advantage;
- Assured Guaranty does not pay bribes indirectly through agents, brokers, consultants or other third parties;
- Assured Guaranty avoids the appearance of paying bribes through other means such as lavish meals and entertaining or gift giving; and
- Assured Guaranty maintains detailed and accurate books and records and internal controls and does not conceal bribes or other improper payments by “off book” arrangements, by falsifying its books and records or by failing to properly document an otherwise proper payment to a government official.

Assured Guaranty directors, officers and employees violating the Assured Guaranty Anti-Bribery Policy will be subject to severe discipline, up to and including termination. In addition, Assured Guaranty directors, officers, employees and Assured Guaranty itself could be subject to criminal and civil liability for violating these standards. Criminal penalties for individuals violating the FCPA include fines of up to U.S. \$5 million and up to 20 years imprisonment. Individuals could also be subject to additional criminal fines and penalties under local (non-U.S. laws). Under the FCPA, Assured Guaranty could face numerous sanctions, including criminal indictment and fines, disgorgement of any ill-gotten gains, the prohibition to do business with the U.S. government, and the appointment of a compliance monitor. Similarly, any UK Subsidiary (as defined in this Policy) (or any other entity deemed to be carrying on business in the UK), their employees or any UK citizen violating the Bribery Act may also be subject to criminal penalties.

The Guidelines

General Guidelines on Bribery

1. You may not offer, promise, give, receive or request any payment, bribe, kickback, gift, advantage or other thing of value to/from any current or potential client, transaction participant, government official, foreign government official or any other person for the purpose of influencing that person to obtain or retain business, obtaining any advantage in conducting Assured Guaranty’s business or representing Assured Guaranty’s interest, or any improper favorable treatment.

2. The prohibition in Guideline 1 also includes offering, promising or giving any payment, bribe, kickback, gift, advantage or other thing of value indirectly, through agents, consultants, brokers or other third parties. You are charged with the responsibility of knowing what your agents, brokers, consultants and other third party representatives are doing and ensuring that such entities are not offering, promising or giving any payment, bribe, kickback, gift or other thing of value indirectly on Assured Guaranty's behalf. Willful ignorance is no excuse and you are expected to follow both the spirit and letter of this Policy.
3. You may not offer or provide cash or other monetary gifts to current or potential clients, government officials, foreign government officials, other transaction participants or any other person.

The giving and receiving of ordinary and reasonable business entertainment and gifts can be a legitimate means of establishing and maintaining business relationships. However, this is an area in which to tread carefully; in some circumstances, entertainment or gifts may create improper appearances, expectations or feelings of commitment or obligation or be construed as an attempted bribe. Given that providing gifts, entertainment, business amenities or any other thing of value in any amount, particularly to government officials, is highly regulated, often prohibited and may subject the Company or the individual employee to criminal penalties, the Company has established the guidelines set out in the Business Entertainment and Gifts Section of the Assured Guaranty Code of Conduct regarding when you can extend invitations for business entertainment or give or offer business gifts to a government official, private company executive or any other person.

Please note that the provision of any gifts, business entertainment (including meals, beverages, recreation, lodging, transportation and event tickets) to a state employee, a government official of foreign government official (as defined in the Business Entertainment and Gifts section of the Assured Guaranty Code of Conduct) must be pre-approved by the General Counsel.

When reviewing these guidelines, you must keep in mind that some of the terms used in these guidelines are defined quite broadly under the applicable law, in particular who is considered a foreign government official.

"Business entertainment" includes not just meals and beverages, but any recreation, lodging, transportation and tickets to sporting or other events, no matter what the cost.

"Gift" includes not just tangible items but also anything of value, such as, for example, doing a favor, providing a loan or service, covering travel or other expenses, or paying a fee or other compensation.

"Government official" includes any employee, officer or elected official of the federal government, a state, or municipality; any department, agency or instrumentality of a federal, state, or municipal government; anyone acting in an official capacity on behalf of one or more of these entities; and any political candidate or official of a political party. Government officials include, without limitation, regulators, licensing, tax, customs, immigration or other government authorities.

The definition of "Government official" includes both domestic and foreign government officials. However, under the FCPA, **"foreign government official"** goes beyond the categories listed in the previous paragraph. As a result, it is often not obvious when a person is a "foreign

government official.” For example, under the FCPA each of the following may be considered a “foreign government official”:

- an officer or employee of a foreign government, any department, agency or instrumentality of a foreign government, or anyone acting in an official capacity on behalf of one or more of these entities, such as a doctor at a foreign government-owned hospital, a professor at a foreign public university, or an officer at a foreign state-owned bank or sovereign wealth fund;
- a foreign political candidate or official of a foreign political party;
- an officer of a public international institution, such as employees of the Red Cross, United Nations, or World Bank;
- decision-makers of commercial enterprises in foreign state-owned entities;
- an officer or employee of a corporation in which a foreign official has a controlling interest;
- a former foreign government official or his or her close relative;
- a member of the royal family of a country; or
- private citizens with close ties to the government who have some decision-making authority.

In addition to the guidelines in the Business Entertainment and Gifts Section of the Assured Guaranty Code of Conduct, make sure to use good judgment at all times and avoid any business gift or business entertainment that might violate the FCPA or Bribery Act or create the appearance of an attempt to influence a government official or foreign government official. If you are unsure of whether an invitation or gift falls within the scope of the Business Entertainment and Gifts Section of the Assured Guaranty Code of Conduct, including whether a person who you are working with may be considered a “foreign government official,” consult with the General Counsel or member of the Legal Department before offering or accepting it.

The Foreign Corrupt Practices Act

The FCPA addresses how companies should conduct their business outside of the United States. Specifically, it prohibits giving (or offering, authorizing or promising to give) with a corrupt intent any money or anything of value to any foreign government official, if the purpose of the gift is to:

- influence any of that official's acts or decisions in his or her official capacity;
- induce that official to do, or omit to do, any act in violation of his or her lawful duty;
- secure any improper advantage; or
- induce that official to use his or her influence with a foreign government or its instrumentality to affect or influence any act or decision by that government or

instrumentality in order to assist the Company in obtaining or retaining business for or with any person, or in directing business to any person.

The FCPA also prohibits making payments to any person knowing that he or she will use the payments for the purposes of the foregoing.

This prohibition applies to improper payments made

- directly by a U.S. company, such as Assured Guaranty's U.S. subsidiaries;
- by officers, directors and employees of U.S. companies, including those located outside of the United States;
- by U.S. nationals, including U.S. officers and directors of foreign subsidiaries; and
- indirectly through third party intermediaries acting on behalf of a U.S. company, if the U.S. company knows or has reason to believe these payments will be made.

Assured Guaranty may be held liable under the FCPA for the actions of its agents, including independent third party consultants, even where its key officers did not know of the illegal payments and their only failure was to detect and prevent the payments. The seniority of the government official or whether or not the bribe was successful is not relevant. Accordingly, you are required to perform appropriate due diligence on any agents or consultants representing the Company before foreign government officials.

Be Alert to "Red Flags"

Being compliant with this policy includes being alert to "red flags" or facts or combinations of facts that might indicate a potential for corrupt activity to occur. Examples of "red flags" include:

- doing business in a country with historical corruption problems;
- being advised by a government official that you must work through a designated agent to obtain business;
- excessive rates of commission being paid to agents, brokers or consultants with no apparent qualifications or for minimal services rendered;
- unusual payment arrangements, e.g., requests for payments in cash, or to out of country bank accounts;
- invoices or requests for payment that are unusual or outside the normal vendor authorization, approval or payments process;
- limited understanding within the Company of what the agent, broker or consultant is doing or why hired in the first place; and
- no formal contract for services with an agent, broker or consultant.

In potential bribe situations, there are often more than one “red flag.” Be alert for such red flags and report any concerns about potential corrupt activity to your manager or the General Counsel.

Facilitating Payments

Under the FCPA, there is a narrow exception for payments to government officials to facilitate or expedite the performance of “routine government action” to which a party is already entitled. These are generally small payments to low-ranking government officials for things such as obtaining a license, providing police protection, mail pickup or delivery, phone service, or power and water service. It is critical that to be considered a facilitating payment that payment be made to attempt to secure a service to which the recipient was already entitled – analogous to a tip. Because it can be difficult to draw the line between a facilitating payment and a bribe, you are required to pre-clear all facilitating payments with the Company’s Legal Department.

Subsequent to payment, you must report all facilitating payments to the Chief Accounting Officer, including the amount of the payment, the payee, and a specific explanation of the reason for the payment.

If payment must be made in order to prevent **imminent physical injury or significant property damage**, you may make the payment but must seek approval from the General Counsel immediately thereafter, and the payment must be accurately documented and reported in the Company’s books and records in accordance with the guidelines above.

Books and Records and Internal Controls

Under the FCPA, Assured Guaranty must maintain detailed and accurate books and records and a system of internal controls that ensures accountability for all shareholder assets. “Off-the-books” payments and any fraudulent accounting practices or knowing falsification of Assured Guaranty’s books and records to cover up any improper payment are prohibited. Examples of falsified books and records that violate this policy and the FCPA include the payment of a false or fraudulent invoice, the miscoding of an improper payment in the general ledger, or a falsified expense report to hide improper entertainment of a government official. Legitimate travel expenses or facilitating payments can lead to a FCPA violation if they are incorrectly categorized as “fees for service” or “consulting fees”. Every Assured Guaranty employee has an obligation to truthfully report all transactions, including the amount of the payment, the payee and the purpose of the payment, and ensure no payments are made based on false documentation.

The UK Bribery Act 2010

In addition to the policies set out above, certain of the Company’s subsidiaries and their respective directors, officers and employees must also comply with the Bribery Act, which comes into force on July 1, 2011. This portion of the Policy applies to:

- the Company’s subsidiaries carrying on business in the United Kingdom (currently Assured Guaranty (UK) Services Limited, Assured Guaranty (UK) Ltd., Assured Guaranty (Europe) Ltd., Assured Guaranty Finance Overseas Ltd. and Assured Guaranty Credit Protection Ltd. (collectively, the “UK Subsidiaries”);

- all employees of the Company who are citizens of the United Kingdom (regardless of their physical location); and
- all permanent and temporary employees, officers, personnel of contractors, agents, business partners and any other “associated persons” (as defined below) of the UK Subsidiaries and their respective subsidiaries and branches.

Any UK Subsidiary (or any other entity deemed to be carrying on business in the UK) can be held liable under the Bribery Act for failing to prevent employees, agents, business partners or any other “associated person” (as defined below) from committing acts of bribery. Under the Bribery Act, a UK Subsidiary will have a defense to any such allegations, if it can show that it had adequate procedures in place to prevent bribery (where a risk of bribery exists). The management of each of the UK Subsidiaries sponsors this Policy and has put in place procedures which are aimed at minimizing the risk of bribery being committed by employees and/or where the services of a third party are used.

Violations of the Bribery Act can also result in individuals receiving civil and/or criminal fines and punishment.

It is therefore important that you comply with this Policy in its entirety, including the guidelines set out in this section on the Bribery Act.

This section of the Policy prohibits the giving, accepting or requesting of a “bribe” or anything which may be viewed as a “bribe” and this applies to anything that you do yourself or which is done by you indirectly through a third party associated with the UK Subsidiaries. This applies to private commercial activity and to activity involving governmental public officials.

What is bribery?

You must not offer, provide, authorise, request or receive a bribe or anything which may be viewed as a bribe either directly or indirectly or otherwise to or from any third party whether or not such a third party is a commercial party (such as a private company executive) or a foreign public official (as defined below). You must not perform your duties improperly in anticipation or in consequence of a bribe.

Under the Bribery Act a “**bribe**” is any “**financial or other advantage**” which is offered, provided, authorised, requested or received as an inducement or reward to secure improper performance of a person’s “**relevant function**” or the receipt of which is in itself improper.

It is important to note that both bribing another person and receiving bribes are both offences under the Bribery Act.

Meaning of financial or other advantage

A financial or other advantage need not be large and has a wide meaning and can include: money or any offer, promise or gift of something of value or advantage, including non-tangible things. A non-exhaustive list of examples might include:

- Gifts (not made in accordance with the Business Entertainment and Gifts policy set out this Policy);

- Hospitality, such as meals or entertainment (not offered in accordance with the Business Entertainment and Gifts policy set out in this Policy);
- Provision or reimbursement of travel;
- Incentive schemes;
- Political, charity donations or sponsorship, not made in compliance with this Policy;
- Publicity;
- Providing useful and typically non-public information;
- Providing advice and assistance;
- Favoring business partners in employment with the UK Subsidiaries; or
- A rebate or “kickback” in relation to services provided to or by the UK Subsidiaries.

You should note that bribery is not avoided merely because any financial or other advantage is provided after a service is provided. You can commit bribery when you receive or give a reward of some kind after the event. You can also commit bribery if you do not actually receive a promised financial or other advantage, but if you acted thinking you would receive that advantage.

Note also that it is no defense that you gave or received a bribe without knowing.

Meaning of improper performance of a person’s relevant function

A ‘relevant function’ can include any function of a public nature, any activity connected with a business, any activity performed in the course of a person’s employment and any activity performed by or on behalf of a body of persons (e.g. a company). Any such function is performed ‘improperly’ by a person if they perform it in breach of what would be expected of them by a reasonable person by reference to any applicable requirements of good faith, impartiality or any position of trust which that person may hold.

You are prohibited from bribing public officials

The risk of committing a bribery offence is particularly significant in any business involving public officials or government owned or controlled entities.

Under the Bribery Act it is an offence to bribe (as defined above) a foreign public official if a financial or other advantage is offered, promised or given to the foreign public official (or to a third party at a public official’s request or with their consent or knowledge) with the intention of influencing the public official in their official capacity, and in order to obtain or retain business, or an advantage in the conduct of business.

Under the Bribery Act, a “**foreign public official**” will include all those persons falling within the definition of “foreign government official” set out on page 2 of this Policy, but will also include any legislative, administrative or judicial official whether elected or appointed. In addition, the reference to “foreign” in the context of the Bribery Act is to non-UK persons (whereas in the context of the FCPA, the reference is to non-US persons).

In practice, this can include civil servants, members of a political party, employees of a state university, judges, customs and immigrations officials, ambassadors and embassy staff, and law enforcement personnel. This list is not exhaustive. If you have any questions or concerns, please contact the Legal Department.

Pre-clearance of gifts and entertainment

Care must be taken to identify whether a client or other third party you are dealing with is a foreign public official. In accordance with the Business Entertainment and Gifts section of the assured Guaranty Code of Conduct, any business gifts or entertainment of any foreign public government official, regardless of value, made by any of the UK Subsidiaries' employees or by any person associated with the UK Subsidiaries, must be pre-cleared by the General Counsel.

Facilitating Payments

Facilitating payments of any kind are prohibited under the Bribery Act. A facilitating payment is a payment or gift (usually, but not necessarily made to a public official) to cause the recipient to perform a routine duty or function, or to expedite such performance, other than the payment of a lawful and official fee for such a duty or function.

As set out on page 5 of this Policy, in some circumstances the FCPA permits the making of facilitating payments. However, these payments are prohibited under the Bribery Act and, as a result, if this section of the Policy applies to you, you are prohibited from making such payments.

In any event, any request for a facilitation payment (by a public official or anyone else) should be reported to the General Counsel.

If a payment must be made in order to prevent imminent physical injury or significant property damage, you may make the payment but must seek approval from the General Counsel immediately thereafter, and the payment must be accurately documented and reported in the UK Subsidiaries' books and records.

You are prohibited from bribing or accepting bribes from private individuals

The prohibition on offering, providing, authorising, requesting or receiving a "bribe" or anything which may be viewed as a bribe either directly or indirectly to or from anyone extends beyond public officials to any private individual acting in the course of business.

Gifts and hospitality are areas for which this is particularly difficult to implement as any hospitality or gifts which are lavish, unusual or disproportionate may lead to their being viewed with hindsight as hospitality given in order to seek improper performance of a function by a third party. You should therefore become familiar with the rules in the Business Entertainment and Gifts Section of the Assured Guaranty Code of Conduct.

Associated persons

As you are aware, you are prohibited from offering, providing, authorising, requesting or receiving bribes and this includes bribes that are given by any associated persons acting on a UK Subsidiary's behalf or otherwise providing any services to it.

Meaning of associated person

“Associated person” includes you, as an employee of a UK Subsidiary, agents or subsidiaries and any other person who performs services for or on behalf of a UK Subsidiary. In practice therefore, this would include arrangers, underwriters, placement agents, sponsors, intermediaries, advisors and distributors.

Procedure for appointing associated persons

If an associated person bribes another person with the intention of obtaining or retaining business or an advantage in the conduct of business for a UK Subsidiary, that UK Subsidiary may be guilty of committing an offence. Each of the UK Subsidiaries aims to implement, so far as practicable, procedures to prevent third party associated persons from engaging in bribery. The framework for doing so is set out below. If you are in any doubt as to the appropriate procedures to follow when dealing with third party associated persons please contact the Legal Department.

The UK Subsidiaries will only appoint associated persons and engage with business partners who demonstrate at all times business integrity and who practice ethical conduct which meets the standards expected by the UK Subsidiaries and all applicable laws and regulations.

The appointment of all associated persons and business partners that are not authorised and regulated by the UK Financial Services Authority are subject to the approval of the Legal Department in accordance with the due diligence procedures outlined below. Special attention will be given to parties who are expected to interact with or make introductions to public officials, assisting in developing business with governmental entities or obtaining non-routine government approvals or action.

Prior to entering into any contract or business relationship with any associated person or business partner, the employee responsible for the engagement must confer with the Legal Department or a Compliance Officer who will consider the risks posed by that person on the basis of any current know your customer or similar information held with respect to such person. The Legal Department or Compliance Officer may request an employee to complete and submit to the Legal Department an Engagement Form containing the following information about the proposed associated person or business partner, as applicable:

- details such as location and place of incorporation and any available details of beneficial ownership;
- whether the person has been engaged previously by the UK Subsidiaries;
- the services to be provided and whether the person partner will engage any third party on behalf of the UK Subsidiaries;
- whether the person will be working in the same country in which it is organised;
- the reason for the engagement;
- details of all fees and benefits proposed to be paid to the person and any other proposed payment terms;
- an explanation of why those fees and benefits are proportionate to the legitimate services to be provided;

- details of the bank account into which any fees will be paid to the person ;
- the names of other associated persons or business partners, as the case may be, considered and the reason the designated person was selected over other candidates;
- who recommended the associated person or business partner; and
- details of any relationship between the person and relevant public officials.

The Legal Department will then consider the proposal and carry out further due diligence as considered necessary before confirming whether an engagement is approved. The extent of any further due diligence required and the ultimate decision as to whether to approve an appointment will be informed by the existence of any location, transaction, financial, general or other risks and any “red flags”, such as those listed on page 4 of this Policy.

The engagement in any joint venture or other business combination is also subject to similar due diligence procedures and approval by the Legal Department.

Our agreements with intermediaries and business partners will be required to include confirmations from such parties that they do and will comply with the Bribery Act, that they will comply with this Policy (in the case of entities regulated by the UK Financial Services Authority, their own equivalent anti-bribery policy) and standard form anti-corruption provisions.

Sponsorship/Charitable and Political Contributions

A UK Subsidiary may sponsor client-focused events and activities, where it considers the activities to be aligned with its business objectives, values and ethical principles and where its reputation may be enhanced. All sponsorships must be approved in advance and in writing by the Chief Executive Officer of the applicable UK Subsidiary and by the General Counsel of the Company.

The policy governing any political contributions made by the Company (including all UK Subsidiaries) is set out in the Code of Conduct.

Compliance Monitoring

The Legal Department will, subject to the oversight of the Chief Executive Officers of each of the UK Subsidiaries and the General Counsel of the Company, review the effectiveness of this Policy and the compliance with this Policy by all relevant directors, officers and employees on a quarterly basis in conjunction with the UK Subsidiaries’ existing compliance monitoring programmes.

Monitoring will include:

- reviewing on a regular basis the approvals of gifts, hospitality, entertainment, sponsorship, charitable or political contributions to establish whether there are any patterns of receiving or giving advantages which may, alone or taken together, raise any suspicions of bribery or attempted bribery;
- reviewing the appointment of intermediaries and business partners for services concerning the “public sphere” once every calendar year from such appointment and reviewing other appointments once every two calendar years (or, in each case, sooner upon any concerns being raised as to the appointment): and

- where relevant, compliance by intermediaries and business partners with this Policy or an equivalent.

Senior Management

The Legal Department will be primarily responsible for the implementation and monitoring of this Policy subject to the oversight of each Chief Executive Officer of the UK Subsidiaries and the General Counsel of the Company.

Training

All affected directors, officers and employees (whether permanent or temporary) must take regular and appropriate training relating to this and related policies and procedures and any newly elected directors or newly hired officers and employees must take such training as part of their induction.

The extent and nature of such training shall be defined by reference to their business unit and will reflect the risks facing an employee in their role in that unit.

Records of all completed training sessions undertaken by the UK Subsidiaries' directors, officers and employees are maintained by the Legal Department.

Speak Up

If you suspect or have information about any violations or potential violations of this Policy you should report it to your manager, contact your human resources or legal officer or call the General Counsel in accordance with the Speak Up procedure set out in the Assured Guaranty Code of Conduct.