



# Global Anti-Corruption Policy and Procedures

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Assured Guaranty Ltd.  
Global Anti-Corruption Policy

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# Global Anti-Corruption Policy and Procedures

## Introduction

Assured Guaranty Ltd. (“AGL”) and its subsidiaries (“Assured Guaranty” or the “Company”) is committed to carrying out our business fairly, honestly, and openly, and the Company will not tolerate bribery or corruption in any form. This is true whether the conduct involves any third party, public or private, or whether a bribe is offered, paid, accepted, or solicited directly by our employees or indirectly through a third party.

Compliance with this Global Anti-Corruption Policy and Procedures (the “Global Anti-Corruption Policy”) and all applicable laws and regulations is the responsibility of all directors, officers and employees of the Company (collectively, “Covered Persons”) as well as other third parties that provide services to Assured Guaranty related to obtaining or retaining business, handling our business matters, or otherwise acting on our behalf (e.g., agents, insurance brokers, intermediaries, contractors and consultants) (“Business Partners”). This Global Anti-Corruption Policy also applies to any entities effectively controlled by the Company.

Failing to recognize and avoid corruption can have a significant impact and create criminal or civil liability for both the Company and the individuals involved.

This Global Anti-Corruption Policy cannot address every set of circumstances you might experience. When faced with a difficult situation, always remember to think about how your colleagues, as well as people outside of the Company, could perceive your actions. If you are unsure how to proceed, please contact your supervisor or Assured Guaranty’s Chief Compliance Officer (the “CCO”).

Additional anti-corruption policies and procedures have also been adopted by: (i) Assured Guaranty UK Limited as set forth in its compliance manual attached as Appendix E to the Global Compliance Manual (the “AGUK Compliance Manual”); and (ii) Assured Guaranty (Europe) S.A. as set forth in its compliance manual attached as Appendix F to the Global Compliance Manual (the “AGE Compliance Manual”). The Company is committed to carrying out its business fairly, honestly, and openly and is committed to zero tolerance towards bribery and corruption.

If you know or suspect that a violation of this Global Anti-Corruption Policy has occurred or is about to occur, you must contact the CCO. All reports will be taken seriously and investigated in accordance with our Whistleblower Policy, set forth in Section 4 of the Company’s Global Code of Ethics (the “Global Code of Ethics”). The Company will not tolerate any retaliatory act against a person who reports suspected legal, ethical, or policy violations in good faith.

## 1. Anti-Bribery Laws

The Company is required to comply with all applicable laws, regulations, codes, and sanctions relating to anti-bribery and anti-corruption, including, without limitation, the U.S. Foreign Corrupt Practices Act (the “FCPA”), the U.K. Bribery Act 2010 (the “U.K. Bribery Act”), the French Criminal Code<sup>1</sup>, the Bermuda Bribery Act 2016 (the “Bermuda Bribery Act”)<sup>2</sup>, and such other relevant laws and requirements in these jurisdictions and any other applicable jurisdictions (the “Anti-Bribery Laws”).

### 1.1. *U.S. Foreign Corrupt Practices Act*

The FCPA makes it unlawful for any United States (“U.S.”) company – as well as any of its officers, directors, employees, agents, or stockholders acting on its behalf – to offer, pay, promise, or authorize any bribe, kickback, or similar improper payment to any foreign official, foreign political party, or official or candidate for foreign political office, in order to assist the U.S. company in obtaining, retaining, or directing business. Under the FCPA, a “government official” includes any officer or employee of a national government or any state, province, county, city, or other regional or local government, or any department, agency, or instrumentality thereof, or of a public international organization; or any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality, or on behalf of any such public international organization; or an official of any political party, or a candidate for political office or anyone acting on their behalf; or a member of a royal family, tribal chief, or other person with government immunity or status. Importantly, all government employees are covered by this definition, as are employees of government-owned business entities and sovereign wealth funds.

Violators are subject to severe civil and criminal penalties, up to and including imprisonment. Criminal penalties for individuals violating the FCPA can include monetary fines and imprisonment under both U.S. and non-U.S. laws. Under the FCPA, the Company 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.

### 1.2. *U.K. Bribery Act 2010*

The U.K. Bribery Act prohibits bribes to *any person* and contains two (2) general offenses of: (i) offering, promising, or giving of a bribe (active bribery); and (ii) requesting, agreeing to receive, or accepting of a bribe (passive bribery), and two (2) specific offenses of: (i) bribing a foreign public official; and (ii) failure of a commercial organization to prevent bribery by persons associated with it.<sup>3</sup> The U.K. Bribery Act, which reaches both

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<sup>1</sup> In particular, articles 433-1, 433-2, 433-3, 435-1, 435-2, 435-3, 435-7, 435-9, 445-1, and 445-2.

<sup>2</sup> The Bermuda Bribery Act is based on and closely follows the U.K. Bribery Act, so it is not separately described herein.

<sup>3</sup> Note that the U.K. Bribery Act does not contain an exemption for facilitation payments (i.e., grease payments), whereas the FCPA contains a statutory exemption (although narrowly construed and rarely invoked) for small facilitation payments paid to officials to facilitate or expedite the performance of a routine governmental action.

governmental and commercial bribery, imposes a maximum prison sentence for bribery convictions for individuals to ten (10) years and an unlimited fine for any organization convicted of failing to prevent bribery. Any conviction of a bribery offense by a U.K. financial services firm or an individual registered with the FCA as a Senior Manager<sup>4</sup> may result in the individual or firm being prohibited from operating in the regulated investment sector in the U.K.

The offense of corporate failure to prevent bribery under the U.K. Bribery Act applies to any company that carries on a business or part of a business in the U.K. Importantly, such a company will be strictly liable under the U.K. Bribery Act for failure to prevent bribery if a person associated with it bribes another person (anywhere in the world) intending to obtain or retain business or an advantage in the conduct of business for the company. The Company, however, will have a full defense if it can show it had in place “adequate procedures” designed to prevent bribery.

Guidance provided by the U.K. Ministry of Justice identifies six (6) principles that should inform companies about the meaning of “adequate procedures”: (1) procedures that are proportionate to the bribery risks an organization faces; (2) top-level commitment within the organization; (3) periodic, informed, and documented risk assessment; (4) due diligence to mitigate identified bribery risks; (5) internal and external communication, including training; and (6) monitoring and review of procedures, including improvements where necessary. The Company has taken this guidance into consideration as part of formulating this Global Anti-Corruption Policy.

Based on the nature of the operations of Assured Guaranty UK Limited, including the fact that its operations do not entail conducting business in any high-risk foreign countries, the Company has determined that the risk of bribery by its Covered Persons and Business Partners is low. The Company has also determined that the nature of the Company’s activities in the U.K. also presents a low risk of bribery by its Business Partners. Nevertheless, the Company has developed these policies and procedures to ensure compliance with the U.K. Bribery Act.

### 1.3. *French Criminal Code*

The French criminal code punishes the following offences: (1) public bribery, which refers to the act of offering, promising, or giving a bribe to a public official in exchange for performing, or abstaining from performing, an act related to their official duties; (2) private bribery, which refers to the act of offering, promising, or giving something of value to a person in a private sector position (*i.e.*, not a public official) in order to influence their actions in their professional capacity. This can include bribing an employee or an officer of a private company to gain an unfair advantage or to influence a business decision; and (3) influence peddling, which refers to the inappropriate use of power or influence in an official or trusted position to obtain something of value, often secretly or dishonestly, in exchange for services or favors. This often involves transactions where an individual uses

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<sup>4</sup> A Senior Manager is a person approved by the U.K. Financial Conduct Authority (the “FCA”) to perform certain specified functions.

their status or influence to affect another person's decision-making, especially in government or business, for personal or financial gain.

These offences are punished by severe penalties, up to 10-year imprisonment and fines up to €1 million or twice the proceeds of the crime. Companies can also be held liable for acts of corruption and influence peddling, facing fines up to five times higher than those imposed on individuals. Violators also incur a prohibition from engaging into regulated activities, such as insurance or banking.

With respect to bribery and influence peddling, French law authorizes criminal prosecution for offences committed outside France (a) by a natural person of French nationality, and/or (b) by any natural person or legal entity habitually residing or exercising all or part of their economic activity on French territory.

## 2. Basic Tenets of this Policy

This Global Anti-Corruption Policy prohibits giving, offering, accepting, or requesting a “bribe” or anything which may be viewed as a “bribe” and applies to anything that you do personally or indirectly through a third party. This Global Anti-Corruption Policy applies both to activity involving government officials and to private commercial activity.

- The Company does not offer, promise, authorize, provide, solicit, pay, request, or accept bribes, directly or indirectly (through Business Partners), to or from government officials, private company executives, or any other person or entity;
- The Company does not offer, promise to pay, authorize, provide, or pay facilitation payments (as defined below);
- The Company avoids the appearance of paying bribes through other means, such as lavish meals and entertaining or gift giving; and
- The Company 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.

Violations of this Global Anti-Corruption Policy by Covered Persons and any entities effectively controlled by the Company may result in disciplinary action, up to and including termination and legal action. In addition, violations of applicable Anti-Bribery Laws by Covered Persons could subject Covered Persons or the Company to civil and/or criminal liability. In addition, the Company’s Business Partners may be subject to termination for violations of this Global Anti-Corruption Policy.

### 3. What is Bribery?

As used in this Global Anti-Corruption Policy, “bribery” means the giving (or offering, authorizing, providing, or promising to give) or receiving (or requesting or agreeing to accept or soliciting) any money or offers, promises, donations, gifts, rewards, or other non-monetary benefit to or from any person, if the purpose of the benefit is to:

- Improperly influence the recipient’s, or any other person’s, acts or decisions in his or her official capacity (either as a government official or in a private commercial capacity) in order to obtain or retain business or an advantage;
- induce the recipient, or any other person, to improperly perform his or her duty or function or reward them for doing so;
- secure any improper advantage; or
- induce the recipient, or any other person, to use his or her influence with a government or a government-owned or government-controlled entity to affect or influence any act or decision by that government or instrumentality in order to assist the company in obtaining or retaining business, or in directing business to any person.

A person’s duty or 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 duty or 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 can also commit bribery by providing money or anything of value to any person knowing that he or she will use it for the purposes of the foregoing. 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 in order to or thinking you would receive that advantage. It does not matter whether the person who is offered the advantage is the person who would perform their duty or function "improperly."

### 4. Procedures

On a periodic basis, the CCO, or an independent third party at the CCO’s discretion, will: (i) assess the risk of bribery by the Company, Covered Persons and its Business Partners; (ii) document such assessment; and (iii) adjust these policies and procedures as necessary. With respect to those areas of the Company’s business that present a risk of

bribery, the CCO will determine appropriate due diligence procedures to mitigate such risks.

#### *4.1. Liability for Third Parties*

The Company may be held liable for the actions of any person who performs services for it or on its behalf, even where its key officers did not know of the illegal payments and their only failure was that they did not detect and prevent the payments. It does not matter whether that third party is acting illegally in the jurisdiction where they are based – if what they do when performing services for the Company or on its behalf would constitute bribery, then the Company could be liable for having failed to prevent it. In practice, this would include not only the Company and its Covered Persons, but also Business Partners, arrangers, underwriters, agents, insurance brokers, sponsors, intermediaries, advisors, and consultants. Accordingly, the Company has implemented, so far as practicable, procedures to prevent third parties from engaging in bribery.

In accordance with the Company's Vendor Management Policy (set forth in Section 9 of the Global Compliance Manual), the Legal Department will carry out enhanced due diligence as deemed necessary based on the risk profile of the vendor and the services provided. The extent of any enhanced due diligence required will be informed by the existence of any location, transaction, financial, general, or other risks, and any "red flags" – such as those listed below. In addition, the Legal Department will consider appropriate anti-corruption and related provisions for inclusion in the Company's agreements with any such vendors, including confirmations from such vendors that they do and will comply with the Anti-Bribery Laws, and that they will comply with their own equivalent anti-bribery policy and standard form of anti-corruption provisions. Where the Legal Department considers it appropriate, the Company may also include audit rights in our agreements with applicable vendors to allow the Company to monitor them, and/or require our applicable vendors to undergo anti-corruption training and/or provide periodic compliance certifications.

Special attention will be given to parties who are expected to interact with or make introductions, assist in developing business, or obtain non-routine government approvals or action.

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

#### *4.2. Pre-approval of Gifts and Entertainment*

In order to minimize the chance that the Company could violate the FCPA, the U.K. Bribery Act, the French Criminal Code, the Bermuda Bribery Act, or similar foreign laws, Covered Persons must obtain the written approval of the CCO prior to making any payment or giving any gift or other thing of value to, including business entertainment, involving, or offering to do the same to, any government official, which includes, but is not limited to a:

- foreign public official;
- public international organization;
- employee of any government-controlled foreign business;
- sovereign wealth fund or state-owned pension fund, employee or representative of a sovereign wealth fund or state-owned pension fund, or third party associated with a sovereign wealth fund's or state-owned pension fund's investment process or investment due diligence; or
- political party or official or candidate for political office.

With respect to the giving of any gift or other thing of value (including paying for entertainment or travel-related expenses), or offering to do the same, to any business counterparty that is not addressed by the above pre-clearance requirement, Covered Persons are subject to the Company's gifts and entertainment policy set forth in Section 1.2 of the Global Code of Ethics.

If you are unsure of whether an invitation or gift falls within the Company's gifts and entertainment policy, consult with the CCO before offering or accepting it. Take particular care before considering business entertainment at a time when the Company is in negotiations with the other party.

### *4.3. Facilitation Payments*

The Company does not allow facilitation payments without pre-clearance from the CCO. A "facilitation payment" is a payment or gift (usually, but not necessarily, made to a government official) to cause the recipient to perform a routine duty or function, or to expedite such performance. The payment of a lawful and official fee for any such a duty or function is not a facilitation payment.

Certain types of facilitation payments may be customary or even permitted by law in certain jurisdictions. However, such payments may constitute violations under other applicable laws. For example, facilitation payments of any kind are prohibited under the U.K. Bribery Act and French Criminal Code. Accordingly, the Company is not permitted to offer, promise to pay, authorize, provide, or pay facilitation payments unless approved in advance by the CCO.

If you believe that you are required to make a facilitation payment, you must consult the Legal Department prior to making that payment to determine whether it is appropriate and to pre-clear the payment, and to confirm applicable record keeping requirements. Subsequent to payment, you must report the facilitation payment to the Company's Chief Financial Officer, including the amount of the payment, the payee, and a specific explanation of the reason for the payment, and comply with any record keeping requirements.

Any request for a facilitation payment (by a government official or anyone else) should be reported to the CCO.

#### ***4.4. Personal Safety Payments***

If payment must be made in order to prevent imminent physical injury or illegal detention, Covered Persons may make the payment but must notify the CCO immediately thereafter, and the payment must be documented and reported in the Company's books and records in accordance with the guidelines herein. The Company may report the payment to the appropriate authorities.

#### ***4.5. Charitable and Political Contributions***

Charitable and political contributions can be (or be seen as) bribes in disguise. No donations or contributions of any kind may be offered, promised, or given if intended to improperly secure a business advantage or official action. All charitable contributions solicited, suggested, or requested by a government official, or by organizations affiliated with a government official, or that may benefit a government official, require the advance written approval of the CCO. No such request will be approved absent assurances that the contribution will not be paid, directly or indirectly, to or for the benefit of any government official in order to obtain an improper advantage or to otherwise influence a government official in connection with any decision that may affect the Company. Furthermore, charitable contributions solicited by a government official must be reviewed under the law of the applicable jurisdiction to ensure permissibility (e.g., certain jurisdictions may restrict the ability of public officials to solicit contributions to charities).

The guidelines for corporate charitable and political contributions are set forth in the Global Code of Ethics, Sections 5, 6, and 7.

#### ***4.6. Corporate Sponsorships***

Subject to Section 4.2 of this Global Anti-Corruption Policy and the Company's gifts and entertainment policy and the Company's Vendor Management Policy set forth in Section 1.2 and Section 9, respectively, of the Global Code of Ethics and Global Compliance Manual, the Company may sponsor client-focused events and activities, where they consider the activities to be aligned with their business objectives, values, and ethical principles and where their reputation may be enhanced. Sponsorships must (i) have a legitimate business purpose; (ii) be proportionate to any benefit received by the Company; (iii) be legal under all applicable laws; (iv) be subject to a written agreement or other written record detailing the organization sponsoring the event, the value/amount of the contribution, and the specific benefit(s) to be received; and (v) be approved by Assured Guaranty's Corporate Philanthropy Committee if a charitable organization is involved.

All sponsorships must be contemplated as part of the Company's approved budget or otherwise approved by AGL's Chief Executive Officer, AGL's Chief Operating Officer and AGL's Chief Financial Officer.

#### 4.7. *Be Alert to “Red Flags”*

Being compliant with this Global Anti-Corruption 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 by the Company regarding what the agent, broker, or consultant is doing or why they were hired in the first place; and
- no formal contract for services with an agent, broker, or consultant.

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

## 5. Compliance Monitoring

The Legal Department will, subject to the oversight of AGL’s General Counsel and CCO, be primarily responsible for the implementation and monitoring of this Global Anti-Corruption Policy. The Legal Department will review the effectiveness of this Global Anti-Corruption Policy and the compliance with this Global Anti-Corruption Policy by all relevant Covered Persons on at least an annual basis in conjunction with the Company’s existing internal audit and compliance monitoring programs.

Monitoring will include:

- reviewing on an annual basis the approvals of gifts, hospitality, entertainment, sponsorship, or 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; and

- performing, or engaging a third party to perform, a bribery and corruption risk assessment at least once every five (5) years.

## 6. Training

The CCO is responsible for ensuring that upon hire, new Covered Persons are made aware of the Company's commitment to zero tolerance with respect to bribery and corruption, and that existing Covered Persons are reminded of such anti-bribery and corruption policy as part of their annual Code of Ethics training. Records of all completed training sessions undertaken by the Company are maintained by the Legal Department.

## 7. Books and Records and Internal Controls

The Company must maintain detailed and accurate books and records and a system of internal controls that ensure accountability for all shareholder assets. "Off-the books" payments and any fraudulent accounting practices or knowing falsification of the Company'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, without limitation, 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 other payments can lead to a violation of Anti-Bribery Laws with respect to the Company's books and records if they are improperly recorded, for example, as "fees for service" or "consulting fees." All Covered Persons have an obligation to truthfully report all transactions, including the amount of the payment, the payee and the purpose of the payment, and to ensure no payments are made based on false documentation.