



**FINANCIAL GUARANTY
INSURANCE COMPANY**

CODE OF CONDUCT

Adopted February 20, 2014

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I. Purpose and Scope

Financial Guaranty Insurance Company (together with its subsidiaries and parent, “**FGIC**”) is committed to conducting its business in accordance with all applicable laws and regulations and the highest ethical standards. We recognize that our success depends in large measure upon the confidence of our policyholders, regulators and other key stakeholders in our integrity. This Code of Conduct (this “**Code**”) applies to all officers, employees and directors of FGIC (collectively, “**FGIC employees**”¹). This Code establishes standards of conduct and behavior that must be observed by all FGIC employees and is designed to provide FGIC employees with assistance in fulfilling our commitment to lawful and ethical conduct. This Code requires FGIC employees to comply with the policies, procedures and other requirements set forth in this Code, including complying with all applicable laws and regulations and FGIC’s Rehabilitation Plan.

Every FGIC employee is required to read and understand this Code as well as other FGIC policies. You should make sure that you have a detailed understanding of the policies that apply specifically to your job, and you should speak to your manager if you are unsure about which policies apply specifically to your job. FGIC employees are required to sign and submit, upon acceptance of employment and from time to time as required by FGIC, a certification in substantially the form annexed hereto as Appendix I. Upon departing FGIC, FGIC employees may be required to sign and submit a certification concerning their compliance with this Code, including their continuing obligations.

FGIC’s leaders have enhanced responsibilities to establish and maintain a culture that values, encourages, recognizes and rewards lawful and ethical conduct and compliance with this Code and other FGIC policies, and to establish and maintain controls and processes to prevent, detect and respond promptly to compliance concerns. FGIC managers should seek to ensure that their reports understand the policies that apply specifically to their respective jobs. Whenever a FGIC manager receives a report of any actual or suspected violation of this Code or any other FGIC policy, the manager will be responsible for making sure that the reported matter is addressed in accordance with this Code and should promptly consult with FGIC internal legal counsel or a FGIC Human Resources professional.

This Code sets forth certain FGIC policies, and must be read in conjunction with all other compliance policies and procedures that may from time to time be issued by FGIC. This Code may require a higher standard of conduct in certain respects than required by applicable laws and regulations or commercial practice. FGIC employees who violate this Code or any FGIC policy are subject to disciplinary action up to and including termination of employment and possibly to civil or criminal proceedings.

The most recent version of this Code can be viewed by FGIC employees on FGIC’s Intranet site. This Code and other FGIC policies may be updated or amended from time to time, and FGIC employees will be notified of any such updates or amendments. FGIC employees are required to stay informed of any updates or amendments.

IMPORTANT NOTICE: This Code of Conduct does not constitute an employment or other contract of any kind. Your employment with FGIC is an employment at will and may be terminated by either you or FGIC at any time with or without notice or for any reason, and no commitment or other term of employment with FGIC shall be inferred or otherwise assumed from any source whatsoever, written or oral, except in each case as otherwise specifically provided in a separate specific binding written agreement with FGIC.

¹ References in this Code to “FGIC employees” shall mean all officers, employees and directors of FGIC, except where otherwise stated or the application of certain provisions would be inappropriate or the context would otherwise require with respect to non-executive directors of FGIC.

II. Seeking Assistance and Advice

While this Code is designed to assist in defining appropriate professional and personal conduct, to provide guidance in identifying and resolving ethical issues, to establish processes and responsibility for reporting unlawful or unethical conduct and to promote and maintain a culture of honesty, integrity and accountability, no code of conduct can anticipate every legal or ethical situation or circumstance that a FGIC employee may confront. Accordingly, whatever the situation or circumstance, FGIC employees are expected to exercise sound judgment and observe the general ethical and legal principles embodied in this Code. Moreover, FGIC employees should strive to identify and raise potential uncertainties and issues before they lead to problems.

FGIC employees should seek assistance and advice from their manager, FGIC internal legal counsel or a FGIC Human Resources professional whenever they are unsure about a particular situation or have any question or doubt about the application or interpretation of this Code or any other FGIC policy. Whenever a FGIC manager is approached for assistance or advice concerning any compliance matter and is unsure about how the matter should be handled, he or she should promptly consult with FGIC internal legal counsel or a FGIC Human Resources professional.

The contact information for each FGIC internal legal counsel and FGIC Human Resources professional is listed in Appendix II to this Code.

III. Reporting Compliance Violations or Concerns

Every FGIC employee is obligated to promptly report known or suspected violations of this Code or any other FGIC policy, including any concerns that he or she may have about possible or planned violations or other wrongdoing. If you report a violation or other compliance concern and you believe that the issue has not been adequately resolved, you should raise it with or through one of the other FGIC compliance resources available to you.

- **How to Report a Compliance Concern.** You should report information about any known or suspected violations of this Code or any other FGIC policy, including any concerns that you may have about possible or planned violations or other wrongdoing, to your manager, FGIC internal legal counsel or a FGIC Human Resources professional. Known or suspected violations involving your manager should be reported to one of the other available FGIC compliance resources. The contact information for each FGIC internal legal counsel and FGIC Human Resources professional is listed in Appendix II to this Code.

FGIC employees may report violations or other compliance concerns orally or in writing. You may report violations or other compliance concerns anonymously, although providing your identity may assist FGIC in investigating and addressing your reported violation or concern. You should make sure that anonymous communications contain sufficient information for FGIC to investigate and address the reported violation or concern.

FGIC Compliance Hotline. In addition, FGIC employees may report violations or other compliance concerns by using the FGIC Compliance Hotline in cases where you do not feel comfortable reporting or discussing a particular issue or concern with your manager or any of the other FGIC compliance resources or where you prefer to report an issue or concern anonymously. The FGIC Compliance Hotline is administered by an independent third party vendor and can be reached 24 hours a day, seven days a week, by calling **800-461-9330** or via the web at www.fgic.com/hotline.

Audit Committee Chair. In addition, FGIC employees may report violations or other compliance concerns relating to (i) FGIC’s accounting and financial reporting practices, internal controls or auditing processes or (ii) any known or suspected violations of this Code or any other FGIC policy by FGIC’s Chief Executive Officer (“CEO”) directly to the Chair of the Audit Committee of the Board of Directors of FGIC at **auditchair@fgic.com**. The Chair of the Audit Committee and FGIC’s General Counsel will have access to this email account.

- **Investigation.** Reports of known or suspected violations of this Code or other FGIC policies will promptly be investigated as appropriate. FGIC employees are required to cooperate in these investigations.
- **Confidentiality.** To the extent practical, appropriate and permitted by applicable law under the circumstances, in order to protect the privacy of the persons involved, the identity of FGIC employees reporting compliance violations or other compliance concerns or cooperating in the investigation of compliance violations or concerns will remain confidential. Please be aware that those FGIC employees and any third parties engaged by FGIC who are involved in reviewing or investigating any compliance violation or concern are acting for FGIC and do not act as personal representatives or lawyers for FGIC employees.
- **Protection Against Retaliation.** FGIC prohibits retaliating in any manner against anyone for reporting in good faith or helping to investigate or resolve a compliance concern, including any actual or suspected violation of this Code or any other FGIC policy. Any such retaliation is a violation of this Code. Any suspected act of retaliation must be reported immediately to FGIC’s General Counsel and FGIC’s Head of Human Resources.

IV. Waivers and Amendments

FGIC may waive application of this Code if and to the extent that circumstances warrant waiver. Only the Board of Directors of FGIC or the Audit Committee thereof may grant any waiver of this Code for executive officers or directors of FGIC, and any such waiver by the Audit Committee shall be reported to the entire Board of Directors. Any waiver of this Code for any other FGIC employee may be granted by FGIC’s CEO in consultation with FGIC’s General Counsel, and any such waiver by the CEO shall be reported to the Chair of the Audit Committee of the Board of Directors of FGIC.

FGIC’s CEO and General Counsel are authorized to amend this Code to clarify any ambiguity, to correct any inaccuracy or typographical error, to correct or supplement any provision that may be inconsistent with any other provision of this Code, and to make revisions to Appendix I or Appendix II, in each case as either of them deems necessary or appropriate. The Board of Directors of FGIC shall be required to approve any other amendments to this Code prior to the effectiveness of such amendments.

V. Policies

Set forth below are FGIC policies that have been adopted as part of this Code to support FGIC's commitment to conduct business in accordance with all applicable laws and the highest ethical standards. All FGIC employees are required to comply not only with the letter of these policies but also their spirit. These policies must be read in conjunction with all other policies and procedures that may from time to time be issued by FGIC.

Compliance with Laws, Regulations and the Rehabilitation Plan

FGIC employees are required to conduct FGIC's business in compliance with all applicable federal, state, local and foreign laws and regulations, including New York and other applicable insurance laws and regulations. As an insurance company, FGIC is subject to regulation by the New York State Department of Financial Services (the "NYSDFS") and by the insurance regulatory authority in each other state or jurisdiction where it is licensed or has issued insurance policies, and FGIC is required to comply with the applicable insurance laws and regulations of New York and these other states and jurisdictions.

Through this Code and other FGIC policies, FGIC provides for compliance with laws and regulations that apply to FGIC's business and FGIC has implemented policies in several areas of law that are directly pertinent to its business, but these policies are not intended to be a comprehensive listing of every law and regulation applicable to FGIC's business nor a detailed description of all applicable legal and regulatory requirements and restrictions. FGIC employees are expected to understand and be knowledgeable about the legal and regulatory requirements and restrictions applicable to their job responsibilities. If you have any question or concern about whether or how any law or regulation applies to FGIC's business or your work or conduct, you should seek advice in advance from FGIC internal legal counsel.

Every FGIC employee is required to promptly report to FGIC internal legal counsel any action, conduct or behavior that he or she believes may violate any applicable law or regulation.

FGIC's Rehabilitation Plan

In addition to complying with all applicable laws and regulations, FGIC must conduct its business and operate in compliance with the First Amended Plan of Rehabilitation for FGIC, dated June 4, 2013 (together with all exhibits thereto and as amended, the "**Rehabilitation Plan**"), which became effective on August 19, 2013. FGIC must also comply with any guidelines or further directions that the NYSDFS may issue from time to time to carry out the purposes and effects of the Rehabilitation Plan (the "**NYSDFS Guidelines**"). FGIC is responsible for implementing and administering the Rehabilitation Plan, including administering, reviewing, verifying, reconciling, permitting, objecting to, compromising or otherwise resolving all policy claims and other claims against FGIC in accordance with the requirements of the Rehabilitation Plan and any applicable NYSDFS Guidelines. FGIC must also obtain the NYSDFS approvals and provide the notices and reports to the NYSDFS required under the Rehabilitation Plan, such as the approvals or notices to the NYSDFS required before FGIC may enter into certain settlements, commutations or similar transactions or transfer any assets and liabilities in excess of specified limits, the notices FGIC must provide prior to permitting certain claims and the periodic reporting required of FGIC.

Each of FGIC's departments is impacted in some manner by requirements and limitations contained in the Rehabilitation Plan. Accordingly, each FGIC employee needs to be familiar with, and is accountable for FGIC's compliance with, the provisions of the Rehabilitation Plan (and of any NYSDFS Guidelines) that are applicable to his or her job functions and responsibilities.

Copies of the Rehabilitation Plan and NYSDFS Guidelines are available on FGIC's Policyholder Information Center at www.fgic.com. If you have any questions regarding any provisions of the Rehabilitation Plan or any NYSDFS Guidelines or their applicability to your work, you should seek advice in advance from your manager or FGIC internal legal counsel. Each FGIC employee is required to promptly report to FGIC internal legal counsel any action, conduct or behavior that he or she believes may violate any provision of the Rehabilitation Plan.

Legal and Other Official Communications

In the event any FGIC employee receives any complaint, subpoena, notice of audit or other legal document related to FGIC (including any FGIC employee relating to his or her FGIC activities) or are contacted by any attorney or other person about actual or threatened litigation or other adverse proceedings against FGIC (including any FGIC employee relating to his or her FGIC activities), you should promptly notify FGIC internal legal counsel and provide such counsel with the legal documents and any other written documents received and a summary of any oral communications received.

Fair Dealing and Corporate Opportunities

FGIC employees are required to fulfill their job responsibilities and conduct FGIC's business fairly and honestly and in compliance with all applicable fair dealing, competition and other laws and regulations. No FGIC employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of facts or any other unfair dealing or anticompetitive practice.

FGIC employees owe a duty to FGIC to advance FGIC's legitimate business interests when the opportunity to do so arises. Business opportunities that arise through the use of FGIC's assets, property or information or by virtue of your work or position at FGIC belong to FGIC, and FGIC employees may not take such opportunities for themselves or direct such opportunities to any other person or entity.

Bribes and Other Improper Payments

FGIC employees are prohibited from giving or offering, directly or indirectly, any money, goods, services or other thing of value to or for the benefit of any other person, including any government or regulatory official or employee, if the giving or offering of such thing is, or appears to be, intended to obtain or retain any improper advantage, including to impair the recipient's independent judgment, to influence the recipient to execute his or her responsibilities improperly, or to induce, influence or reward any governmental or regulatory action. These prohibitions apply whether using FGIC funds or your personal funds, regardless of whether you intend to seek reimbursement from FGIC.

FGIC employees are prohibited from soliciting or demanding or receiving anything of value for their personal benefit from any other person or entity as a condition of obtaining or maintaining business with FGIC or obtaining any action on behalf of FGIC that is favorable to the giver of such thing.

Business Entertainment and Gifts

The occasional giving or receiving of ordinary, reasonable and occasional business entertainment and gifts can be a legitimate means of establishing and maintaining business relationships. However, FGIC employees must be sensitive to the fact that, in some circumstances, business entertainment and gifts may create appearances of impropriety or expectations or feelings of commitment or obligation. In those circumstances, you should not offer, provide or accept the business entertainment or gifts.

The FGIC policy “**Interacting with Government and Regulatory Entities – Business Entertainment and Gifts**” in this Code sets forth additional guidance and restrictions for offering or providing business entertainment, gifts or any other thing of value to government or regulatory officials or employees.

FGIC employees are not permitted to offer or provide cash or other monetary gifts (including gift cards or certificates) to, or accept the same from, any third party in connection with FGIC’s business.

Before offering or providing any business entertainment or gifts to any person in connection with FGIC’s business, FGIC employees (other than senior management or directors) are required to obtain the approval of a member of FGIC senior management. Any gift or gifts to any person in any calendar year with an aggregate value in excess of a “**Nominal Value**” (\$200 or such other amount as may from time to time be specified by FGIC’s CEO) must be approved by FGIC’s CEO. FGIC’s CEO shall provide copies of any such approvals to FGIC’s General Counsel (or his or her designee) for recording in FGIC’s compliance files.

Before accepting any business entertainment or gifts from any person that does or seeks to do business with FGIC, you should carefully consider whether accepting the business entertainment or gifts would give rise to a conflict of interest or appearance of impropriety. Business entertainment and gifts should be reasonable in amount, nature, time and place. If you receive a gift or gifts in excess of a Nominal Value in any calendar year from any person, you must report this to your manager and you must obtain the approval of your manager in order to accept and retain such gift or gifts.

The restrictions of this policy relating to offering or providing business entertainment or gifts apply whether using FGIC funds or your personal funds, regardless of whether you intend to seek reimbursement from FGIC.

Conflicts of Interest

All FGIC employees have an obligation to act in the best interests of FGIC and to avoid conflicts of interest and, to the extent possible, even the appearance of a conflict of interest. Generally, a conflict of interest may exist when you or a family member has relationships, interests or activities that conflict or appear to conflict with FGIC’s interests, including the proper performance of your job responsibilities for FGIC. FGIC employees should promptly report any actual or potential conflict of interest to their manager, who shall consult with FGIC internal legal counsel as appropriate. FGIC’s non-executive directors may develop conflicts of interest due to their responsibilities to other entities or otherwise, and they should report any actual or potential conflict of interest to FGIC’s General Counsel or to the Chair of the Audit Committee of the Board of Directors of FGIC.

It is not possible to describe every situation in which a conflict of interest may arise. The following examples, however, highlight certain situations that may give rise to a conflict of interest and are intended to help you recognize and avoid possible conflicts.

- Holding or acquiring a significant interest in any entity that is a supplier or other entity that does or is seeking to do business with FGIC.
- Accepting business entertainment or gifts from any supplier or other entity that does or is seeking to do business with FGIC, which exceed customary business practices or may appear to affect your independent judgment.

- Accepting special favors, discounts or other benefits as a result of your position with FGIC from any supplier or other entity that does or is seeking to do business with FGIC, which the public or other FGIC employees generally do not receive.
- Conducting FGIC business with family members or close personal friends.
- Acting as a director, officer, trustee or similar capacity of any supplier or other entity that does or is seeking to do business with FGIC or whose interests could reasonably be expected to conflict with those of FGIC. Any FGIC employee (other than non-executive directors) who desires to serve in such capacity for any other entity (other than private family trusts and similar entities and other than private family entities which have not done and are not seeking to do business with FGIC) must obtain the approval of FGIC’s CEO or his or her designee.
- Holding a second job or performing services (outside your employment at FGIC) that interfere with your fully performing your responsibilities at FGIC or that is with or for any supplier or other entity that does or is seeking to do business with FGIC or whose interests could reasonably be expected to conflict with FGIC’s interests.
- Hiring or offering employment to family members or close personal friends. Any FGIC employee who desires to hire or offer employment at FGIC to any such person must disclose that relationship to, and obtain the prior approval of, FGIC’s Human Resources Leader.

Whether a conflict of interest exists in any particular situation will depend on the facts and circumstances relating to the particular situation and each situation must be evaluated separately. If you have any doubts about whether a particular situation presents a conflict of interest, you should discuss it with your manager or with FGIC internal legal counsel. FGIC employees periodically may be required to complete a “Conflicts of Interest” questionnaire (in such form as shall be prescribed by FGIC’s General Counsel). Many potential conflicts may be resolved once they are properly reported and discussed.

Interacting with Government and Regulatory Entities

FGIC employees are required to conduct FGIC’s business with all government and regulatory entities with the highest ethical standards and in compliance with all applicable laws and regulations. FGIC employees are responsible for being knowledgeable about these laws and regulations as they pertain to their duties and responsibilities, and should consult with FGIC internal legal counsel whenever they have any questions or concerns about the operation or applicability of these laws and regulations.

Governmental and Regulatory Communications

In the event any FGIC employee receives any notice, demand, request, inquiry or other official communication from any government or regulatory entity, including the NYSDFS and any other insurance regulator, you should promptly notify FGIC internal legal counsel and provide such counsel with any written communications received and a summary of any oral communications received. All notices, filings, reports, statements and other communications or information (whether written or oral) that FGIC makes with or provides to any government or regulatory entity must be complete, accurate and not misleading, and should be made by, in consultation with or at the direction of FGIC internal legal counsel.

Business Entertainment and Gifts

In addition to the guidance and requirements provided by the FGIC policy “**Business Entertainment and Gifts**” in this Code, FGIC employees must understand that offering or providing gifts, business entertainment, meals, lodging, business courtesies (such as coffee, pastries or soft drinks) or any other thing of value in any amount to government or regulatory officials or employees may be prohibited under

applicable law. Before giving or offering anything of value to any government or regulatory official or employee under any circumstances and regardless of whether expense reimbursement by FGIC will be sought, in addition to complying with any other FGIC policy requirements, a FGIC employee is responsible for determining that he or she is permitted by applicable laws and regulations to give or offer such thing based on the advice of FGIC internal or outside legal counsel.

Political Contributions

Every FGIC employee must obey applicable laws when promoting or otherwise communicating in respect of FGIC's interests and positions to government authorities and making political contributions. Political contributions by FGIC to U.S. federal, state or local or foreign candidates or political parties or to other political causes may be prohibited or regulated under applicable law. FGIC's assets, including cash contributions or contributions in kind, may not be contributed to individuals, parties or other entities to be used for political purposes without the prior approval of FGIC's Board of Directors.

Prior to making any personal political contribution, you should carefully consider whether such contribution may give rise to any appearance of impropriety concerning FGIC's business activities and, if so, you should avoid such contribution. You should pay particular attention to political contributions to candidates where you are not entitled to vote in the election or where you are aware that FGIC has done business with the government entity to be represented by such candidate. FGIC employees must not give or offer any political contribution to any political party, elected or appointed official, or candidate for political or governmental office to influence or reward any governmental or regulatory act or decision regarding any aspect of FGIC's business, or otherwise to obtain any improper influence or advantage.

Your personal political contributions and any expenses that you may incur in attending any political fund-raising event are not eligible for reimbursement by FGIC. You are not permitted to use any FGIC assets or resources (including computers, copying or facsimile machines, telephones or postage meters) to support political parties, candidates or causes.

Lobbying

Unless authorized by FGIC's CEO or General Counsel, FGIC employees should refrain from engaging in any lobbying activities with respect to or on behalf of FGIC. Prior to, or as a result of, engaging in any lobbying activities, you may need to register as a lobbyist, make certain filings and observe other requirements. If you have any questions regarding whether certain activities may constitute lobbying activities, you should consult with FGIC internal legal counsel prior to engaging in such activities.

Health and Safety

FGIC is committed to providing a safe and healthy work environment for FGIC employees. FGIC employees are required to report to a FGIC Human Resources professional any existing or potential unsafe working conditions, any accidents at work and any other conditions that pose or may pose an environmental, health or safety threat.

Violence or Violent Behavior

Violence or violent behavior in the workplace or in any work-related setting will not be tolerated and is prohibited by this policy. Violence or violent behavior includes physically harming another, shoving, pushing, harassing, intimidating, coercive behavior, brandishing weapons, and threatening or talking of engaging in such activities.

FGIC employees are prohibited from possessing weapons while on FGIC's premises or in any other work related setting or while performing FGIC business away from FGIC's premises. Weapons include firearms, knives, explosives and other items with the potential to inflict harm.

All threats of, or actual, violence or violent behavior should be reported immediately to a FGIC Human Resources professional. This includes threats by FGIC employees, as well as threats by customers, suppliers or other persons.

Alcohol, Drug and Tobacco Use

FGIC employees are prohibited from reporting for work or conducting FGIC business (including operating any vehicle), while under the influence of alcohol or any drug or controlled substance. Drinking alcoholic beverages is prohibited while on FGIC's premises, except as sanctioned by FGIC's CEO at specified FGIC events. To the extent that alcoholic beverages are consumed on FGIC's premises at such events or at other business events outside of FGIC's premises, FGIC employees are expected to exercise good judgment, avoid becoming intoxicated and avoid driving or engaging in other potentially dangerous activities while under the influence of alcohol.

FGIC employees may use prescribed drugs in a legal manner while on FGIC's premises or conducting FGIC business, but only if this use does not impair the FGIC employee's ability to perform his or her job responsibilities effectively and in a safe manner. FGIC employees are not permitted to use, distribute, sell or possess any illegal drugs or substances.

In accordance with applicable law, FGIC employees are prohibited from smoking on FGIC's premises.

Fair Employment Practices

FGIC is committed to fair employment practices and advancement opportunities for all qualified individuals, without regard to race, color, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, veteran status, or any other characteristic protected by applicable federal, state, local or other laws. Misconduct (including discrimination, any form of workplace harassment (sexual or other), retaliation, violence or other form of unprofessional conduct), even if not unlawful, may subject you to disciplinary action regardless of where such conduct occurs.

FGIC employees are required to:

- Use merit, qualifications (for example, education, experience or competencies) and other job-related criteria as the sole bases for all employment-related decisions affecting FGIC employees and applicants.
- Strictly observe all applicable labor and employment laws, including those relating to non-discrimination.
- Recruit, hire, train, compensate, promote and provide other conditions of employment without regard to a person's race, color, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law. Discrimination on any of these bases is strictly prohibited.
- Provide a work environment free of harassment. Harassment can take many forms and can occur verbally, physically, through written communications or by other means. Actions are considered harassing if they have the purpose or effect of unreasonably interfering with an individual's work performance, creating an intimidating, hostile or offensive work environment or adversely affecting

an individual's employment opportunities. Sexual harassment is a specific form of harassment, which includes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature or based on a person's sex where submission or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual or where such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

If you believe that you have been subjected to any discrimination, harassment or other misconduct by another FGIC employee or by third parties (such as customers or suppliers), you should promptly report this to your manager, a FGIC Human Resources professional, FGIC internal legal counsel or any member of FGIC management.

Books, Records, Financial Reporting and Disclosure

As a regulated insurance company, FGIC is subject to various insurance laws, regulations and reporting obligations. In addition, FGIC is subject to specific additional reporting requirements set forth in the Rehabilitation Plan. FGIC requires all statements, reports and other disclosures of information regarding FGIC and its business, financial condition and results of operation to be accurate, complete, understandable and not misleading. This includes financial statements, reports and other disclosures that FGIC may publish or file with or otherwise provide to the NYSDFS, any other insurance regulator, or any other government or regulatory entity.

To this end, it is critical that FGIC maintain accurate and complete books and records. All FGIC business transactions and other information must be recorded and reported in a full, fair, accurate and timely manner. Financial reports and records must accurately reflect the true nature of the transactions and conform to applicable FGIC policies. FGIC employees must be candid and honest when recording or providing information for these purposes. FGIC employees are prohibited from making, or causing to be made, any false or misleading entries or statements, or omitting to make any entries or statements that they are aware should be made. No entry may be made on FGIC's books that hides or disguises the true nature of any transaction. Undisclosed or unrecorded accounts, funds or assets are not allowed.

FGIC employees are expected to cooperate fully with all audits and financial reviews, whether conducted internally or by FGIC's independent auditor. FGIC employees must supply accurate, complete and truthful information at all times in connection with these audits and reviews.

FGIC's principal financial officers and other employees working in the FGIC Finance Department have a special responsibility to ensure that all of FGIC's financial statements, reports and other disclosures are accurate, complete, understandable and not misleading, and are published or filed in a timely manner as applicable. These FGIC employees must understand and comply with the statutory accounting practices prescribed or permitted by the NYSDFS (as well as those accounting practices detailed in applicable NYSDFS Guidelines, which apply specifically to FGIC) and all applicable laws and regulations regarding FGIC's accounting and financial reporting and disclosures. FGIC's principal financial officers are required to establish and maintain appropriate accounting procedures and financial reporting and control processes and routines.

Preservation of Documents, Records and Data

This policy applies to all documents, records, and data, which term is intended to be broadly defined and includes notes, drafts, books, emails, voicemails, calendar entries, hard or flash drives, and CD-ROMs or other discs. This policy applies to all documents, records and data, wherever located, including those

created or stored on FGIC's premises or on FGIC's System (as defined below under "**Information and Technology Resources and Systems**") or in a FGIC employee's personal possession or under his or her personal control.

FGIC employees are required to comply with all applicable laws and regulations relating to the preservation of documents, records and data, as well as any other FGIC policy pertaining to the creation, preservation and management of documents, records and data. Documents, records and data must be preserved as required by those policies and may be destroyed only as authorized by those policies.

FGIC employees are required to preserve all documents, records and data that may be relevant to any pending or reasonably foreseeable litigation, examination, audit or investigation, and also as otherwise directed by FGIC internal legal counsel, and must not alter such documents, records or data in any manner. FGIC employees are required to suspend any regular or other document destruction processes or procedures that would otherwise apply to such documents, records or data. FGIC employees must notify FGIC internal legal counsel immediately upon becoming aware that any document, record or data subject to a preservation requirement has been altered or destroyed.

Protection and Proper Use of FGIC Assets

Protecting FGIC's assets (whether those assets take the form of paper files, electronic data, computer resources, confidential information, trademarks or other intellectual property, or physical property) against loss, theft, waste or other misuse is every FGIC employee's responsibility. FGIC employees are not permitted to use FGIC assets for any improper or illegal purpose. FGIC employees should use FGIC's assets to pursue and support FGIC's legitimate business activities and objectives in accordance with applicable laws and regulations and FGIC policies. Any personal use of FGIC assets must be reasonable, incidental and limited, must not interfere in any way with your responsibilities to FGIC and must comply with all applicable FGIC policies. FGIC employees are required to notify FGIC internal legal counsel if they learn of any damage to, or loss, theft or misuse of FGIC property, or a claim or potential claim by anyone against FGIC.

Information and Technology Resources and Systems

FGIC's information and technology resources and systems, including computer equipment, intranet, internet and intranet access, email, telephones, fax machines, photocopiers, scanners, voicemail, cell phones, wireless devices, smart phones, tablets, portable storage devices (such as flash drives), remote access capability, video conferencing, hardware, software, applications, data, databases and files (including, with respect to all of the foregoing, any personal electronic device that is used in whole or part by any FGIC employee for FGIC business purposes) (collectively referred to as the "**System**"), are FGIC assets that are critical to FGIC's ability to conduct its business.

FGIC employees are not permitted to use the System for any improper or illegal purpose or in any manner that would violate or conflict with this Code or any other FGIC policy or create any appearance of impropriety. FGIC employees should use the System to pursue and support FGIC's legitimate business activities and objectives. When you use the System to communicate with others, you should apply the same degree of care, sensitivity and professionalism as you would when communicating in writing on FGIC letterhead. FGIC employees should strive to safeguard and protect the security and privacy of the System and to guard against unauthorized access. Any personal use of the System must be reasonable, incidental and limited, must not interfere in any way with your responsibilities to FGIC and must comply with this policy and all other applicable FGIC policies and procedures.

The System and all communications and information stored on or transmitted via the System are the property of FGIC. FGIC employees should not have, and also waive, any expectation of privacy or confidentiality with respect to any information or materials created, viewed, sent, distributed, received, downloaded, printed, stored, displayed or otherwise dealt with on or via use of the System. FGIC has the right to access, monitor, intercept, remove and audit any FGIC employee's use of the System without giving notice to the FGIC employee, and FGIC may access the System for any such purpose at any time.

FGIC employees are prohibited from using the System to create, view, access, send, distribute, receive, download, print, store, display or otherwise use any unlawful or offensive information and materials, including information and materials of an abusive, obscene, indecent, sexual, racist, sexist, defamatory, discriminatory, intimidating, harassing, vulgar, threatening or other unlawful or malicious nature. FGIC employees may not download, install, remove or alter any software program on the System and also may not copy or otherwise utilize for non-FGIC purposes any software licensed or purchased by FGIC, unless authorized to do so by a FGIC Information Technology manager.

FGIC employees are responsible for maintaining professionalism when communicating with each other and the public, particularly when such communications relate to FGIC or your employment at FGIC. This applies to all communications, whether using the System or any other method of communication, and includes participating in internet-based social media, including social networks, video posting websites, or other user-generated electronic media, such as blogs or message boards. FGIC employees may not engage in any manner of communications that may appear to disparage, defame or otherwise discredit FGIC, its business or customers, or any other FGIC employee.

FGIC employees are prohibited from accessing or attempting to access a part of the System assigned to another FGIC employee or for which he or she has not been granted authorization to access, or circumventing or attempting to circumvent the security of the System, or otherwise undermining or attempting to undermine the integrity of the System.

Confidential Information

FGIC employees are required to safeguard and preserve the confidentiality of “**confidential information**” and exercise discretion when using, discussing, disseminating or otherwise disclosing this information. The term “**confidential information**” includes information in whatever form that is not generally known to the public, including information about FGIC, its business, financial position, financial results, investment portfolio, insured portfolio, employees, or persons with whom FGIC has a business relationship, policy claims (whether received, permitted, not permitted, paid or expected by FGIC), revaluations or other adjustments to the cash payment percentage (CPP) for policy claims, loss mitigation activities and pending or threatened litigation by or against FGIC. It includes information developed by FGIC or given to FGIC by its employees (including personal employee data) or by other persons. Confidential information is broadly defined and includes trade secrets, business plans, models, formulas, patterns, compilations, programs, devices, methods, techniques, processes, financial and other data and databases, records, reports, electronic files, software, and documents.

FGIC employees are not permitted to use or disclose any confidential information, including any personal information concerning FGIC employees or other individuals, except for authorized business purposes and in accordance with all applicable FGIC policies, including the FGIC policy “**Privacy**” in this Code. In addition, the disclosure of confidential information to other FGIC employees or representatives (including consultants), should be made only on a need-to-know basis, and the recipient should be informed of any legal or contractual obligations pertaining to the use or disclosure of such confidential information.

In no event may any FGIC employee disclose any attorney-client privileged information or any attorney work product (whether communicated or developed by FGIC internal legal counsel or FGIC's outside legal counsel) without the prior approval of FGIC's General Counsel or other FGIC internal legal counsel. You should assume that any information received from FGIC internal legal counsel or FGIC's outside legal counsel is attorney-client privileged information or attorney work product subject to this restriction.

FGIC may be subject to contractual obligations pertaining to the use or disclosure of confidential information of third parties. FGIC employees are required to observe all such contractual obligations and all applicable legal requirements, and whenever in doubt about these obligations or requirements should consult with FGIC internal legal counsel before using or disclosing any confidential information.

FGIC employees should not attempt to discover through improper means the confidential information of others. If you became aware of the confidential information of others either through prior employment or under an actual or implied obligation of confidentiality, you should not divulge, use, transfer, or otherwise deliver that information to anyone except as authorized by FGIC internal legal counsel.

Intellectual Property

All patents, trademarks, copyrights, and other intellectual property (including confidential information) generated, gathered or otherwise acquired by FGIC employees in the course of their employment is the property of FGIC. FGIC employees must cooperate with FGIC in all efforts to secure, protect, maintain and defend FGIC's rights and interests in any intellectual property. Each FGIC employee (other than non-executive directors) is required to enter into an Employee Innovation and Proprietary Information Agreement (in the form prescribed from time to time by FGIC's General Counsel) with FGIC.

FGIC employees are expected to respect the valid legal rights of others in patents, copyrights, trademarks, and other intellectual property. FGIC employees should consult with FGIC internal legal counsel before making any use of the intellectual property of others if they are unsure whether that use is permissible.

Your obligations under this policy continue after you leave FGIC. Upon your departure from FGIC, you must cease using FGIC's assets (including all or any portion of the System, any intellectual property owned or licensed by FGIC and any confidential information), you must return (or if requested by FGIC destroy) all FGIC assets in your possession or under your control without retaining any copies thereof (in any format), and you may not disclose in any manner or use for any purpose any confidential information or other FGIC-related data.

Privacy

FGIC employees must comply with all applicable privacy and data security laws. From time to time, FGIC may come into possession of personal information concerning its employees or other individuals, such as the individual obligors of mortgage or other consumer loans that have been pooled in securitizations insured by FGIC. FGIC requires FGIC employees to respect the privacy rights of other FGIC employees and other individuals by using, maintaining and transferring their personal data only in accordance with applicable laws and FGIC policies.

Prior to disclosing any personal information to any third party, FGIC employees should consult with FGIC internal legal counsel to assess any applicable legal restrictions or requirements. Prior to sharing or transferring personal information within FGIC from one country to another, you should consult with FGIC internal legal counsel to assess any applicable legal restrictions or requirements. To minimize the

risk of misjudging whether information is subject to these restrictions, FGIC employees should assume that any information about an individual is personal information subject to these restrictions.

Your obligations under this policy continue after you leave FGIC. Upon your departure from FGIC, you must return (or if requested by FGIC destroy) all personal information concerning other FGIC employees or other individuals in your possession or under your control without retaining any copies thereof (in any format) and you may not disclose in any manner or use for any purpose any such personal information.

Insider Trading

This policy establishes standards of conduct for FGIC employees who may obtain, become aware of or have access to material, non-public information (known as “**inside information**”) relating to FGIC or any other company, including FGIC-insured issuers or obligors, during the course of their activities for FGIC. This policy requires not only full compliance with applicable laws and regulations, but imposes standards of conduct that in certain respects are more restrictive than those required by applicable law so as to avoid even the appearance of impropriety on the part of FGIC employees.

Inside information is information that is both “**non-public**” and “**material.**” Information is “**non-public**” when it is not available to investors generally. Information is generally considered to be non-public until it has been disclosed to the investing public and the market has had time to absorb it. Non-public information is “**material**” if there is a substantial likelihood that a reasonable investor would consider it important in deciding whether to buy, sell or retain a security, or if publication would be likely to have a significant effect on the price of such security. To minimize the risk of misjudging whether non-public information is material, you should assume that any non-public information about a company that would influence your own decision about whether to buy or sell that company’s stock or other securities is inside information. Although inside information typically comes directly from the relevant company, it also may come from other sources.

FGIC employees must:

- Not buy or sell the stock or other securities of any company, including FGIC and FGIC-insured issuers or obligors, while you have inside information relating to that company. This type of activity is known as “**insider trading**” and it is a violation of the securities laws and this Code.
- Not recommend or suggest that anyone else buy, sell or retain the stock or other securities of any company, including FGIC and FGIC-insured issuers or obligors, while you have inside information relating to that company. This type of activity is a type of insider trading violation known as “**tipping**” and it is a violation of the securities laws and this Code.
- Not disclose inside information to anyone outside FGIC (including family members and friends), except when you reasonably believe such disclosure is needed to enable FGIC to carry on its business properly and effectively, and you have taken appropriate steps to prevent the misuse of the information. FGIC employees should consult with FGIC internal legal counsel to determine if such disclosure is needed and is being undertaken in an appropriate manner.
- Only disclose inside information within FGIC on a “need to know” basis and when you have no reason to believe that the information will be misused.
- Never have any other person, including any family member or friend, take any of these actions on your behalf or at your direction.

These prohibitions continue to apply even after your employment or service at FGIC has terminated.

PERSONAL COMMITMENT TO INTEGRITY

I am an employee, officer or director of Financial Guaranty Insurance Company and/or one or more of its subsidiaries or parent (collectively, “**FGIC**”).

I acknowledge that I have received a copy of FGIC’s Code of Conduct (Adopted February 20, 2014) (the “**Code of Conduct**”). I have read, understand and will comply with the policies, procedures and other requirements set forth in the Code of Conduct. I understand that the Code of Conduct requires me to comply with the policies, procedures and other requirements set forth in the Code of Conduct, including complying with all applicable laws and regulations and FGIC’s Rehabilitation Plan.

When I have a concern about an actual or suspected violation of the Code of Conduct or any other FGIC policy, I understand that I am required to raise the concern to my manager, FGIC internal legal counsel, a FGIC Human Resources professional or other FGIC compliance resources.

I understand that I am prohibited from retaliating or taking adverse action against anyone for raising or helping to resolve a compliance concern.

I understand that if I fail to observe my responsibilities under the Code of Conduct I will be subject to disciplinary action up to and including termination of employment and possibly to civil or criminal proceedings.

With respect to the Code of Conduct (please check one):

- I am not aware of any actual or suspected violations of the Code of Conduct.
- I have a concern about an actual or suspected violation of the Code of Conduct. I have previously reported, or will immediately report, such concern to my manager, FGIC internal legal counsel, a FGIC Human Resources professional or one of the other compliance resources listed in the Code of Conduct.

With respect to Conflicts of Interest (please check one):

- I am not aware of any relationships, interests or activities, whether my own or of a family member, that conflict or appear to conflict with FGIC’s interests, including the proper performance of my job responsibilities (a “Conflict of Interest”).
- I have a concern that a Conflict of Interest may exist. I have previously reported, or will immediately report, such concern to my manager, FGIC internal legal counsel, a FGIC Human Resources professional or one of the other compliance resources listed in the Code of Conduct.

Signature

Date

Print Name

FGIC COMPLIANCE RESOURCES

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