

FSA Code of Conduct: Corporate Policy on Political Contributions and Solicitations

This Statement of Policy sets forth the guidelines of Financial Security Assurance Holdings Ltd., including Financial Security Assurance Inc. and its other direct and indirect subsidiaries (collectively referred to as “FSA”), regarding political contributions and solicitations.

Purpose

FSA’s purpose in adopting this Statement of Policy is to ensure that its high standards and integrity are maintained, to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to perfect a free and open market, and to protect FSA’s interests by limiting the amount of political contributions that any of its employees may make to an official of an issuer.

Contributions Covered

All FSA employees must comply with applicable law and FSA’s guidelines when making political contributions and solicitations. For purposes of this Statement of Policy, “**contribution**” is defined broadly and means any gift, subscription, loan, advance, or deposit of money or anything of value made:

- for the purpose of influencing any election for federal, state or local office;
- to pay debt incurred in connection with any such election;
- to a political party, a partisan association or a political action committee; or
- for transition or inaugural expenses incurred by the successful candidate for state or local office.

<i>Example</i>

<i>Contributions covered by FSA’s guidelines include:</i>

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| <ul style="list-style-type: none">➤ <i>making a payment to attend a political fund raising barbecue</i>➤ <i>using your home to host a political fund raising event</i>➤ <i>sending a check to a political campaign</i> |
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General Guidelines

The general guidelines for FSA employees making political contributions and solicitations are as follows. These general guidelines apply to federal, state and local elections.

1. Employees may not make political contributions for the purpose of obtaining or retaining business or unlawfully influencing an official decision.
2. Employees may not “bundle” political contributions by either (a) collecting and forwarding contributions to campaigns or (b) providing stamped or addressed envelopes in which to send contributions. Political contributions should be sent directly to the intended recipient and not through an FSA employee.
3. FSA may not reimburse employees or compensate employees for individual political contributions in any way, and no employee may seek reimbursement or compensation for individual political contributions from any source.
4. FSA employees with supervisory responsibilities may not solicit political contributions from anyone they supervise. All other solicitation of FSA employees for political contributions requires prior written approval from the Chief Compliance Officer.
5. FSA employees may not direct or solicit others (including a spouse or other household member) to make political contributions that these rules prohibit them from making.

Guidelines for Contributions to Issuer Officials

In the course of its financial guaranty and asset management business, FSA works with public entities that issue debt and their officials, including officials that are responsible for, or can otherwise influence, the issuer’s choice to work with FSA. Accordingly, for the purposes stated above, FSA guidelines strictly limit the amount of political contributions that any FSA employee may make to an official of an issuer, as follows:

1. No FSA employee may make any contribution to an official of an issuer, except when **all** of the following conditions are met:
 - a. the employee is entitled to vote for the official of the issuer;
 - b. the contributions that the employee, his or her spouse and all other household members, in the aggregate, make for each official of such issuer are no more than \$250, measured per election; **and**
 - c. the contribution otherwise complies with the general guidelines set forth above.
2. No FSA employee shall solicit any person or political action committee to make any contribution to, or shall coordinate any contributions to, any official of an issuer with which FSA is engaging or is seeking to engage in municipal securities business.
3. No FSA employee shall, directly or indirectly, through or by any other person or means, do any act that would result in a violation of the previous two guidelines.

These guidelines also apply to the employee’s spouse and all other household members.

For purposes of this policy, an “**issuer**” is:

- a state or an agency or instrumentality of a state,
- a political subdivision of a state or an agency or instrumentality of a subdivision, or
- any municipal corporate instrumentality of one or more states.

The federal government is not considered an “issuer.” **Accordingly, the limits set out in the guidelines do not apply to contributions to candidates for federal elective office.**

An “**official**” is any person (including any election committee for such person) who was, at the time of the contribution, an incumbent, candidate or successful candidate for an elective office:

- of the issuer, which office is directly or indirectly responsible for, or can influence the outcome of, the hiring of a financial guarantor or provider of asset management services for the issuer’s municipal securities business; or
- of a state or of any political subdivision, which office has authority to appoint any person who is directly or indirectly responsible for, or can influence the outcome of, the hiring of a financial guarantor or provider of asset management services for the issuer’s municipal securities business.

“**Municipal securities business**” means the provision of financial guaranty or asset management services to or on behalf of an issuer with respect to a primary or secondary offering of municipal securities.

Any employee may make a request to the Chief Compliance Officer that the Executive Management Committee make an exception to the guidelines regarding contributions to officials of an issuer for contributions made by the employee’s spouse or other household members. Requests for such Spousal Exemptions will be considered by the Executive Management Committee on a case-by-case basis.