



MBIA Inc. Standard of Conduct



MBIA Standard of Conduct

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A Message from Jay Brown

Dear Colleagues,

Our success depends upon our earning and maintaining the trust and confidence of our policyholders, our clients, our regulators, the rating agencies, the public and one another. Working in a highly regulated and scrutinized industry makes it doubly important that you fully understand your responsibility to exercise sound business judgment and to act lawfully and ethically in all of your business dealings.

Our Standard of Conduct outlines the business practices and the values of integrity, teamwork, and performance excellence that are at the core of our identity. It requires that we be honest, fair and ethical in every business decision we make. It requires that we be above reproach in our dealings with everyone, that we report any instance of unethical or illegal activity if we observe it, and ask questions if we are unsure about whether an action might be unethical or illegal.

Consider our Standard of Conduct the constitution by which we live. Compliance with the law is the very minimum that's required of us all; in truth, living by our values is at least as important. And this applies no matter where in the world we conduct business. As a global enterprise, we must act with good judgment and sensitivity to local customs and laws, while being guided by our values wherever we are.

As a champion of our Standard of Conduct, I believe adhering to it not only raises the bar on how we conduct business and protects our legacy going forward, but it serves as a powerful differentiator for us, thus building value for our brand and our owners. Please join me in embracing the long-term intrinsic value of legal and ethical behavior, which builds trust and confidence among our key constituents and ensures customer loyalty and prosperity in times of change.

A handwritten signature in black ink that reads "Jay Brown". The signature is written in a cursive, slightly stylized font.

Jay Brown
CEO
MBIA

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Introduction

Our Standard of Conduct sets out guidelines and rules of behavior for MBIA directors, officers and employees, whether full-time, part-time or temporary, and those consultants, contractors, interns, vendors and other individuals working for or on behalf of the Company who have regular access to Company property, who represent the Company to third parties or who are identified as Covered Persons in consultation with Compliance or the Legal Division (“you” or “Covered Persons”). Any Covered Person action that could be questionable is also unacceptable if engaged in by a related third party, such as a spouse, family member, friend or any other person or entity with whom the Covered Person is closely identified or in which the Covered Person has any significant financial interest.

“MBIA,” the “Company” or “us” refers to MBIA Inc. and its subsidiaries. The Standard of Conduct also serves as our Code of Ethics, as that term is defined in Section 406 of the Sarbanes-Oxley Act of 2002. All Covered Persons are required to acknowledge that they have read and understood the Standard of Conduct on a periodic basis.

In addition to reading and understanding the Standard of Conduct, Covered Persons should review and familiarize themselves with the more detailed policies attached as appendices to this document as appropriate.

Compliance Policy Statement: It is the Company’s policy that Covered Persons must comply with all applicable MBIA policies and procedures as well as all applicable laws and regulations governing the Company’s business activities worldwide, and that any actions taken on behalf of MBIA must be properly authorized by the Board of Directors of MBIA Inc. or a committee thereof, the Chairman of the Board, the Chief Executive Officer of MBIA Inc., a management committee or a Division head, or the board of directors or management of the MBIA subsidiary taking such action, as appropriate. Please refer to the **MBIA Inc. Policy Statement: Compliance Policy (Appendix A)** for more information.

In addition to complying with the Standard of Conduct and the policies attached hereto, all Covered Persons located outside the United States must comply with any and all applicable local rules and regulations, as advised by the Legal Division, Compliance or local counsel, and where there may be a conflict between the Standard of Conduct and any local rule or regulation, the local rule or regulation will prevail.

If you are ever uncertain about taking an action, just ask yourself the following questions:

- Is this action legal and ethical?
- If I’m not sure, have I consulted with Legal or Compliance?
- Is it consistent with MBIA’s values and Standard of Conduct?
- How would I feel if this action were the subject of a governmental investigation, or lawsuit or reported in the newspapers?

If you are still uncertain about the course you should take, contact a member of MBIA’s Compliance Committee for assistance comprising the Chief Compliance Officer, Managing Director of Human Resources, Managing Director of Internal Audit, Director of Operational Risk, and operating unit General Counsels, and they are available to help you arrive at the best possible solution for your situation.

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Our goal is for you to embrace the long-term, intrinsic value of legal and ethical behavior, which builds trust and confidence among our key constituents and ensures customer loyalty and prosperity in times of dramatic change.

Any Covered Person who violates MBIA's Standard of Conduct, including the policies attached to it, will be subject to appropriate disciplinary and/or legal action, including termination of employment and/or, to the extent permitted by law, forfeiture of certain benefits. Any violation of laws will be reported by MBIA, as appropriate and subsequent to consultation with the Legal Division, to the appropriate authorities within a reasonable amount of time of their determination. Nothing in the Standard of Conduct or the attached policies concedes or admits that any practice or act by MBIA is not subject to an immunity, exception or defense to applicable laws or regulations.

MBIA is an "at will" employer and, as such, employment with MBIA is not for a fixed time or definite period. The Standard of Conduct, including its appendices, sets forth some of MBIA's policies and practices in effect on the date of publication, which may change from time to time, and at any time, by MBIA. Nothing contained in the Standard of Conduct or any MBIA policy may be construed as creating a promise of future benefits or a binding contract with MBIA for benefits or for any other purpose.

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I. MBIA's Ethics and Values

MBIA's Mission Statement, Values and Foundation Principles are as follows:

Mission Statement

As a world class manager of credit risk, we help our clients achieve their financial goals by providing credit protection and global markets access, innovative funding solutions and superior asset management services.

Values

Integrity – We embrace our Standard of Conduct by demonstrating principled behavior, honesty and respect for everyone we work with each day. Promises made, promises kept.

Teamwork – We are committed to each other, bound by trust and loyalty. Our diversity makes us stronger; everyone's contribution matters. Our continuous personal development allows us to excel.

Performance Excellence – We are dedicated to our Foundation Principles through superb execution in everything we do. We act like owners, always seeking to exceed expectations, always acknowledging our fiduciary responsibilities.

Foundation Principles

Maintain the strongest team

Superior credit risk underwriting

Enhance long-term shareholder value

Guiding Principles

In addition to the Mission, Values and Foundation Principles, the following guiding principles are embodied in the Standard of Conduct and should guide your overall conduct and business dealings at MBIA:

- Act legally and ethically and with integrity in all of your dealings
- Comply fully with all applicable laws in the United States and abroad, including securities laws and regulations, insurance and investment advisory laws, and antitrust, fair trading, anti-bribery and privacy laws
- Comply fully with all MBIA policies and procedures
- Maintain the confidentiality of information about MBIA, its clients, their proposed and completed transactions, and Covered Persons
- Record and report all financial information accurately and truthfully and on a timely basis

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- Do not enter into any oral commitments, agreements and understandings, other than ordinary course trading activity which is promptly confirmed in writing. All binding commitments, agreements and understandings must be in writing
- Properly record and document all commitments, obligations and transactions that are undertaken on behalf of MBIA
- Do not trade securities when in possession of material non-public (“inside”) information
- Do not participate in any business dealings which may result in a conflict of interest or the appearance of impropriety and do not “buy business”
- Comply with the Company’s reporting and other limitations on gifts and entertainment to and from clients, public officials, and vendors
- Respect other Covered Persons and any third party or non-MBIA employee that a Covered Person has dealings with as a result of his or her employment (e.g., an outside vendor, consultant, business partner, or client). Do not discriminate against, harass or retaliate against other Covered Persons or any third party or non-MBIA employee that a Covered Person has dealings with as a result of his or her employment (e.g., an outside vendor, consultant, business partner, or client) in any manner
- Use Company property only for business purposes
- Avoid any outside employment or any professional or community activities that would interfere with the performance of your job
- Do not make any political contributions on behalf of the Company or in violation of Company policy
- Do not distribute copyrighted material outside the Company or, unless licensed, internally
- Report promptly any suspicion of any illegal or unethical behavior to the Chief Compliance Officer, the Chief Legal Officer or other appropriate contacts set out in this document

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II. Personal Conduct

A. General

It is no exaggeration to say that MBIA's reputation is in your hands. If MBIA finds that your conduct, on or off the job, adversely affects your performance, that of other Covered Persons, that of a third party or non-MBIA employee that a Covered Person has dealings with as a result of his or her employment (e.g., an outside vendor, consultant, business partner, or client), or MBIA's reputation, you may be subject to appropriate disciplinary and/or legal action, including termination of employment and/or, to the extent permitted by law, forfeiture of certain benefits. Any violation of laws will be reported by MBIA, as appropriate and subsequent to consultation with the Legal Division, to the appropriate authorities within a reasonable amount of time of their determination. In addition, you are required to report to the Chief Compliance Officer (or other appropriate contacts named in this document) any potential or actual violation of the Standard of Conduct, MBIA's policies and other compliance-related issues described in Section V.B. in accordance with that section, as well as any criminal charges filed against you, or criminal conduct in which you have been involved, either on or off the job, immediately.

Honesty and Integrity: MBIA places a premium on your honesty and fair dealing in conducting business activities and in your relationships with your colleagues. You are expected to be truthful in dealing with others. All reports, or responses to questions, provided within the organization or to outsiders (customers, suppliers, financial institutions, governmental agencies of all kinds, other organizations and/or people with a need or right to receive information) are expected to be truthful, accurate and not misleading in any way.

Workplace Conduct: MBIA strives to maintain a safe and productive work environment that is free from discrimination or harassment based on age, gender, sex, race, color, religion, creed, marital status, sexual orientation, pregnancy, disability, veteran status, national origin, alien or citizenship status, genetic predisposition or carrier status, or any other characteristic protected by law. Harassment includes hostile or adverse behavior based on any of these characteristics that has the effect or purpose of creating an intimidating, hostile or offensive work environment, unreasonably interfering with an individual's work performance or otherwise adversely affecting an individual's employment opportunities. Physical, emotional, or sexual harassment, abuse or intimidation will not be tolerated. Please refer to the **MBIA Inc. Policy Statement: Equal Employment Opportunity and Anti-Harassment Policy (Appendix B)** for more information.

Workplace safety also requires that you follow safety guidelines, laws and posted instructions when engaging in any activity on our premises or in connection with conducting business, including when driving on the Company's campus, handling hazardous substances or operating equipment. You are also responsible for reporting any concerns regarding safety at the Company to Compliance.

Other conduct that is prohibited includes 1) threats, 2) violent behavior, 3) the possession of weapons of any kind, 4) the use of recording devices, including, but not limited to, web cams or videophones, for anything other than management-approved activities, or 5) the use, distribution, sale or possession of illegal drugs or any other controlled substance, except for approved medical purposes.

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In addition, you should not be on Company property or in an MBIA work environment, including meetings outside the office, if you are under the influence of illegal drugs, controlled substances used for non-medical purposes, or alcohol. Reasonable consumption of alcoholic beverages on MBIA premises or in an MBIA work environment is permitted with management approval at Company sponsored events, qualified business entertainment outings, conferences or client meetings.

You should not participate in unlawful gambling activities while working or using Company provided equipment. Unlawful gambling can include participating in office sports betting pools for more than insignificant amounts of money, or where a sponsor keeps a percentage of the contributions. If you are unsure of what is unlawful, please ask.

Community Service: You are encouraged to be active in your community and to support a variety of organizations. If the activities present a conflict of interest with MBIA, or require an undue amount of time that might interfere with your work, the situation should be discussed with your department manager for guidance and resolution.

B. Conflicts of Interest Policy Statement

It is MBIA's policy to prevent, address and, where appropriate, disclose conflicts of interest, which include any situation which could reasonably be expected to produce any of the following conflicts or its appearance: (1) your or your immediate family's private interests conflict with the interests of MBIA or an MBIA client, (2) the interests of one client of MBIA conflict with the interests of another MBIA client or (3) any other conflict of interest with or within MBIA.

It is impossible to detail every situation which, in fact or in spirit, might lead to conflict of interest in the performance of your duties. However, to aid your understanding, listed below are basic rules for your guidance.

- Neither you nor any member of your immediate family, may have, directly or indirectly, a personal or financial interest in a business enterprise with which MBIA customarily engages in the purchase, sale, or exchange of property, or to which it renders, or from which it secures services (including vendors and consultants), which might be the occasion of a conflict of interest without making timely disclosure of this fact to the Chief Compliance Officer or, in his or her absence, the Chief Legal Officer. A personal or financial interest as used herein refers to a substantial and not incidental interest - an interest that could reasonably be expected to influence an individual's judgment.
- Neither you nor your immediate family may engage in any transaction adverse to the interests of MBIA, for personal gain or otherwise, including the taking of corporate opportunities for yourself or your immediate family that are discovered through the use of your position or the property or information of MBIA.
- You may not place yourself under actual or implied obligation to anyone by the acceptance of gifts or other favors on your own behalf or on behalf of a member of your immediate family, which might be suspected of being given for the purposes of influencing his or her business judgment. Acceptance of conventional business

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courtesies, such as an occasional luncheon, shall not be construed as indicating that a person has been influenced to disregard the best interest of MBIA.

- You shall not receive any money or valuable thing for negotiating, procuring, recommending or aiding in, any purchase by or sale to MBIA of any property, service, or any loan from MBIA without the prior consent of the Chief Compliance Officer or, in his or her absence, the Chief Legal Officer. Without the prior consent of the Chief Compliance Officer or, in his or her absence, the Chief Legal Officer, you shall not make any loan of MBIA's funds to any officer, director, trustee or other person having authority in the management of MBIA's funds, nor shall such officer, director, trustee or other person accept any such loan.
- You shall not pay any commission to or make any gift of money, property, or other valuable thing to any employee, agent, or representative of any issuer of any debt instrument or other monetary obligation of any kind which may be insured pursuant to Article 69 of the New York Insurance Law or to any trustee or agent of any such issuer, or to any employee, agent, or representative of any underwriter of any issuer of those debt instruments or monetary obligations as an inducement to the purchase of that insurance, nor may, at any time there is in force a policy issued by that insurer insuring those debt instruments or monetary obligations, any employee, agent, or representative of the issuer or underwriter receive from or on behalf of that insurer any such payment or gift. Participation in Company-sponsored events and acceptance of conventional business courtesies, such as occasional luncheons, token gifts, tickets to entertainment or sporting events and any other gift or business entertainment permitted under the **MBIA Inc. Gifts, Entertainment and Contributions Policy (Appendix P)**, shall not be construed as indicating that a person has been influenced to disregard the best interest of his or her organization.

MBIA's Conflicts of Interest Policy governs

- relationships with outside interests,
- corporate opportunities,
- secondary employment,
- consensual romantic or sexual relationships,
- engagement of consultants or advisors,
- communication with MBIA subsidiaries that are investment advisers or broker-dealers,
- trade execution, trade allocation and order aggregation, and
- procedures regarding U.K. and other international conflicts of interest rules.

Any Covered Person action that could be questionable is also unacceptable if engaged in by a third party or non-MBIA employee acting directly or indirectly, for the benefit of, or on behalf of, a Covered Person, including but not limited to a spouse, family member, friend or any other person or entity with whom the Covered Person is closely identified or in which the Covered Person has any significant financial interest.

Please refer to the MBIA Inc. Policy Statement: Conflicts of Interest Policy (Appendix C).

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In addition, the MBIA Inc. Gifts, Entertainment and Contributions Policy (Appendix P) outlines the Company's policies relative to giving and receiving of gifts, entertainment and other benefits to business counterparts (with specific value limits and reporting guidelines for gifts offered or received), charitable and political contributions and event and conference sponsorships. You should note that all gifts and entertainment given or received are required to be reported to Compliance in addition to dollar limits for acceptable gifts and entertainment. Any overages are required to be preapproved by Compliance and, if you are seeking reimbursement, you must submit the preapproval with your reimbursement request. In addition, personal political or charitable contributions can prevent the Company from doing business with a government or charitable entity; as a result, the Policy requires prior approval for political contributions and entertainment for public officials.

C. Political Associations

Political Contributions: MBIA will not purchase tickets or pay fees for you to attend an event where any portion of the funds will be used for election campaigns. Using Company time or assets (including, but not limited to, phone, fax, and computer) to support your run for public office or campaigning for a candidate is the equivalent of such a contribution, and is therefore not permitted. However, reasonable time off without pay, or the use of vacation time to support these activities is permitted.

You may make political contributions to elected officials at the State, County and local levels only if you have obtained prior approval from the Head of Government Relations, the Chief Legal Officer or the Chief Compliance Officer. Political contributions to federal elected officials are subject to this restriction in the United States and, if pre-approved, are subject to the limitations imposed by federal election laws, which are further described in the **MBIA Inc. Policy Statement: Gifts, Entertainment and Contributions Policy (Appendix P)**.

No persons may be reimbursed directly or indirectly by MBIA for any political contribution or for their attending any political event.

Please refer to the **MBIA Inc. Policy Statement: Gifts, Entertainment and Contributions Policy (Appendix P)** for more information.

D. Employment Opportunity, Non-Discrimination and Anti-Harassment Policy Statement:

It is the policy of MBIA to ensure equal employment opportunity for all MBIA job applicants and employees with regard to all personnel-related matters, including, but not limited to recruitment, hiring, placement, promotion, compensation, benefits, transfers and training and all other terms and conditions of employment. MBIA prohibits and will not tolerate discrimination or harassment against any person because of his or her age, gender, sex, race, color, religion, creed, marital status, sexual orientation, pregnancy, disability, veteran status, national origin, alien or citizenship status, genetic predisposition or carrier status, or any other characteristic protected by law.

Please refer to the **MBIA Inc. Policy Statement: Equal Employment Opportunity and Anti-Harassment Policy (Appendix B)** and the MBIA Employee Handbook for more information.

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III. Executive Compensation

The Board of Directors of MBIA adopted an Executive Compensation Clawback Policy to further promote ethical behavior and accountability with respect to the accuracy of financial reporting. Under the Clawback Policy, the Compensation Committee of the Board has the discretion to clawback certain incentive compensation from “Covered Executives” whether in the form of cash or in the form of an equity award, granted on or after January 1, 2010 if (i) the Company issues a material restatement of its financial statement (a “Restatement”) and (ii) the Compensation Committee determines that the amount of compensation paid to any such Covered Executive would have been lower under the restated financial statements. “Covered Executives” include any officer who had the title of Managing Director and above at the time of any Restatement or at any time during the three-year period preceding the Restatement, whether or not employed at the time of the Restatement, except where the Policy is in conflict with or is prohibited by law. Please refer to the MBIA Inc. Policy Statement: Executive Compensation Clawback Policy (Appendix R)

Your acknowledgement of the Standard of Conduct confirms your agreement to the provisions of the Clawback Policy with respect to any incentive compensation that has been or will be granted to you if you are a Covered Executive, whether or not you are an employee at the time of any Restatement.

IV. Compliance with Laws

You are expected to behave in a manner that is law-abiding and sensitive to the needs and justifiable expectations of those we serve – our shareholders, our fellow employees, our insureds, our clients, our suppliers, our lenders, our regulators, our rating agencies and our communities, states and nation. In fact, the Company’s standards are intended to exceed legal requirements. Please refer to the **MBIA Inc. Policy Statement: Compliance Policy (Appendix A)** for more information.

Summarized below are some of the major regulations to which MBIA is subject and the internal policies that relate to those regulations.

A. Securities Laws and Regulations

MBIA’s public statements and reports are subject to the disclosure requirements of the federal and state securities laws and regulations. MBIA is also listed on the New York Stock Exchange (the “NYSE”) and must comply with its rules. Securities laws and regulations will apply primarily to activities related to media and investor communications (see section IV. C. below), and to disclosure of, or securities trading when in possession of, Inside Information (see Section IV. A. below), as defined in the **MBIA Inc. Policy Statement: The Insider Trading Policy (Appendix D)** and as described further in the **MBIA Inc. Policy Statement: Disclosure Policy (Appendix E)**. You should contact a Legal Division or Compliance member with any questions concerning the applicability of securities laws and regulations to a specific matter or issue.

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B. MBIA Investment Advisory Subsidiaries and Broker-Dealers

MBIA has several subsidiaries that are registered with the United States Securities and Exchange Commission (the “SEC”) as investment advisers and one subsidiary that is a registered broker-dealer and a member of the Financial Industry Regulatory Authority (“FINRA”). These subsidiaries and their employees are subject to SEC and/or FINRA regulations applicable to these specialized types of companies. In addition, MBIA has subsidiaries based in the United Kingdom and other foreign countries which are subject to regulation under the securities laws of those countries.

As a result of the inherent risks of violation of the insider trading restrictions for individuals in MBIA’s investment advisory and brokerage operations, procedures have been adopted to prevent the transmission of inside information acquired by MBIA in the course of its insurance business to these subsidiaries. Please review Annex 1 to the **MBIA Inc. Policy Statement: Conflicts of Interest Policy (Appendix C)**, entitled “Communication with MBIA Subsidiaries that are Investment Advisers or Broker-Dealers.”

C. Anti-Bribery and the U.S. Foreign Corrupt Practices Act (the “FCPA”)

The FCPA addresses how companies should conduct business outside of the United States. Specifically, it makes it a crime under U.S. law to get or keep business or obtain an improper advantage by corruptly promising or giving anything of value, directly or through intermediaries, to non-U.S. officials.

The FCPA defines non-U.S. officials broadly to include not only high-level officials, but also civil servants, part-time government employees, employees of state-owned corporations, employees of local or municipal government entities, political party officials and candidates, as well as officers and employees of numerous international organizations. Payments or promises of payments to a non-U.S. political party organization are treated as payments to a foreign official and are subject to the same prohibitions.

Any promise or transfer of a thing of value, including intangible benefits such as favors, to a relative of a non-U.S. official or contributions to a non-U.S. official’s favored charity can be covered by the statute. The FCPA also requires significant internal accounting controls and record-keeping practices. MBIA prohibits payments or commitments of corporate funds for improper use, undisclosed, unrecorded or falsely recorded transactions, or payments made for other than their intended purpose. Violations of the FCPA can result in significant penalties, including imprisonment and fines, as well as severe damage to MBIA’s business and reputation.

No payment, promise, or benefit to any foreign official or entity should be made without consulting the Legal Division or Compliance in order to determine whether the payment would be prohibited. Moreover, because the FCPA prohibits the indirect promise or conferral of benefits upon foreign officials, MBIA requires that certain procedures be followed in connection with payments to third-party agents or consultants dealing with foreign officials. Please refer to the **MBIA Inc. Policy Statement: Foreign Corrupt Practices Act and Other Anti-Bribery Laws and Regulations (Appendix F)** for more information.

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D. Antitrust and Fair Trade Laws

Antitrust laws exist in most of the countries in which MBIA does business, and the Company must comply with these laws. These laws are designed to ensure that the market for goods and services operates competitively and efficiently by prohibiting activities that restrict the functioning of a competitive system. Prohibited activities include price fixing and dividing customers or territories, or illegally monopolizing or attempting to monopolize an industry, or unlawfully abusing a dominant position. Violations of these laws can lead to substantial civil liability and some violations are deemed to be criminal acts that can result in felony convictions. Actions that could be considered violations include not only overt agreements, but also any other conduct by competitors from which an understanding regarding price, other terms and conditions of sale or other prohibited activities may be implied or inferred. **You must avoid any communication or discussion with representatives of competitors concerning the pricing of insurance or Asset Management products; considerations taken into account in setting premium levels, application of underwriting guidelines, allocation of markets or agreements; or requests not to compete in specific transactions; or broad agreements not to solicit any of each other's employees.** If a competitor begins to talk about any of these matters, you must object and not participate. If the discussion continues, you must remove yourself from the conversation. Please refer to the **MBIA Inc. Policy Statement: Antitrust Compliance Policy ([Appendix G](#))** for more information.

From time to time, due to capacity constraints and other valid business reasons, MBIA may want to participate with, or is invited to participate with, one or more of its financial guaranty competitors on a transaction in which one or more competitors work together to allocate insured risk exposure. While all transactions and contacts with competitors have potential antitrust implications, certain transactions ("Joint Transactions"), due to the nature of the joint activity and the behavior of the parties, will pose an increased risk of having a real or perceived anticompetitive impact on the market for financial guaranty products and services. A Joint Transaction includes any activity, behavior or communication with a competitor prior to the awarding of a transaction mandate which involves a willingness to allocate risk between competitors and includes

- joint bids, and
- pre-agreements to reinsure.

Joint Transactions present special antitrust concerns because of the opportunity for competitive or sensitive information sharing that these transactions offer and their potential anticompetitive impact, and care should be taken in these transactions to avoid anticompetitive behavior or the appearance of it. MBIA has established guidelines and policies (the "Guidelines") to be followed whenever MBIA desires to engage in a Joint Transaction. In addition, these Guidelines include general principles of antitrust compliance that should be observed in all transactions involving competitors, including Joint Transactions, and in contacts with competitors at any time, both in the context of contemplated transactions and as a general rule. The Guidelines are located in the **MBIA Inc. Policy Statement: Antitrust Compliance Policy ([Appendix G](#))**. A Form of Written Agreement regarding Joint Transaction is attached as Exhibit 2 to that Policy.

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In the event MBIA is asked to provide reinsurance to, or seeks reinsurance from, a competitor with respect to one or more transactions, you should refer to Exhibit 3 to that Policy which provides the process for approving and underwriting these reinsurance transactions.

E. Insurance Laws and Anti-Fraud Policy

MBIA's U.S. insurance companies are regulated by the insurance authorities in their state of domicile and in the states where they conduct business, and MBIA's international insurance companies are regulated by local financial and/or insurance regulators. It is MBIA's policy to comply with the insurance laws and regulations in each of the jurisdictions where its insurance companies are located and do business.

A specific area of insurance regulation to which MBIA is subject is the prevention of insurance fraud. Although the amount of oversight in connection with the issuance of insurance policies greatly reduces the opportunity for fraudulent activity, MBIA created an Anti-Fraud Policy and Plan to prevent, detect and investigate insurance fraud related to MBIA. Examples of insurance fraud include misrepresented written or spoken facts about MBIA, false financial statements, distributing false policies, misleading advertising, filing false insurance claims and forms, and abusing one's position at MBIA by performing or failing to perform an official duty. Please refer to the **MBIA Inc. Policy Statement: Anti-Fraud Policy (Appendix H)** for further information. The more comprehensive Anti-Fraud Plan is available for review on the Legal Division site on the corporate intranet.

F. Anti-Money Laundering Policy

MBIA is required to have clear policies, procedures and controls in place to prevent money laundering activities. Money laundering occurs when assistance is provided to another person to obtain, conceal, retain or invest money from illegal sources. It is also an offense for a person to prejudice an investigation by "tipping off" the person who is the subject of an investigation. The **MBIA Inc. Policy Statement: Anti-Money Laundering Policy (Appendix I)** states that you should always: 1) establish the identity of the client, 2) keep records of the transaction and 3) report suspicious transactions. Any suspicious international transactions should be reported to **MBIA's Money Laundering Reporting Officer** and the Chief Legal Officer or Chief Compliance Officer. Any suspicious domestic transactions should be reported to the Chief Legal Officer or Chief Compliance Officer.

G. Competitive Information

You must not use illegal or unethical means to gather competitive information. Stealing proprietary information or inducing these disclosures by past or present employees of other corporations is prohibited.

H. Retention of Independent Auditor

Federal law requires that the Audit Committee of MBIA's Board of Directors has responsibility for all aspects of the appointment, compensation and oversight of the Company's independent auditor, currently PricewaterhouseCoopers LLP (the "Auditor"). Pursuant to this responsibility, the Audit Committee must approve all audit and non-audit services provided to MBIA by the Auditor with the goal of assuring that the Auditor maintains its independence. While the Auditor may perform tax services and

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certain other permissible non-audit services, the Auditor is prohibited from performing certain services to MBIA which have been determined to impair the Auditor's independence. The Audit Committee will review and pre-approve on an annual basis, normally at the April meeting of the Audit Committee, all audit and non-audit services to be performed by the Auditor for the upcoming fiscal year.

Neither Covered Persons nor MBIA business units have authority to engage the Auditor to work on a particular project or deal. If a business unit of MBIA desires a particular service to be performed by the Auditor and the service has not previously been approved by the Audit Committee, the business unit must follow the procedure described in the **MBIA Inc. Policy Statement: Non-Audit Services Pre-Approval Policy (Appendix J)**.

I. Protection of Confidential Information

It is MBIA's policy to comply with all applicable corporate, state and federal laws, guidelines, policies, regulations, and procedures pertaining to confidentiality and privacy, including without limitation those restricting physical or electronic dissemination of personal information or unsolicited marketing materials, data breach notifications, business use of social security numbers and business data disposal. For more information regarding procedures MBIA has put into place to facilitate your compliance with these rules, please refer to Section IV. B. below and the **MBIA Inc. Policy Statement: Technology Use Policy (Appendix M)**.

V. Use of Information and Property

A. Insider Trading

You are prohibited from trading in securities when in possession of material inside information. "Material inside information" is information that is not made public by broad public dissemination and that a "reasonable" investor would consider is important in making an investment decision or that is likely to affect the price of securities and includes material non-public information about MBIA or about our clients obtained in the course of a business relationship.

For example, using material inside information about MBIA to buy or sell securities of MBIA or its subsidiaries ("MBIA securities"), or using material inside information about a client or supplier to buy or sell the stock of an MBIA client or supplier is prohibited. It is also against the laws of many countries, including the United States, to "tip" others who might make an investment decision based on material inside information or to trade based on a tip. Penalties for trading on or communicating material inside information are severe, including jail sentences. Please refer to the **MBIA Inc. Policy Statement: Insider Trading Policy (Appendix D)** for more information.

Restrictions on Trading MBIA Securities. In order to minimize the risk that a Covered Person trades in, or is even viewed as having traded in, MBIA Securities while in possession of or having access to material inside information, MBIA has adopted the following specific policy. In addition, the policy identifies those times when trading in MBIA's stock by employees and directors is not appropriate and is therefore not permitted. Furthermore, the policy prohibits trading in various derivative instruments related to MBIA Securities.

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For purposes of this policy, “related parties” include spouses, children, and adults living in the same household or family trusts.

- *Prior Approval for Certain Officers:* The following persons (and their related parties) must have approval from the Chief Legal Officer, the Chief Compliance Officer or an attorney in the Legal Division designated by the Chief Legal Officer before buying or selling MBIA Securities: members of the Board of Directors; officers with a title of Managing Director or above and, in addition, officers with a title of Vice President or Director in the Finance Division, Insured Portfolio Management Division, Legal Division, Special Situations Group and National Risk Management/Portfolio Surveillance Department; and any other Covered Person designated by the Chief Legal Officer or Chief Compliance Officer from time to time. Approval should be requested by all Covered Persons using the Trading Approval tool on the corporate intranet.
- *Blackout Periods:* All Covered Persons (and related parties) are prohibited from trading in MBIA securities during the period that begins no later than on the last NYSE trading day of any quarter and ends after the second full NYSE trading day following the date on which MBIA releases annual and quarterly earnings for the related quarter. In addition, Covered Persons are prohibited from trading in MBIA securities during any other period during which the Company announces that trading in MBIA securities is prohibited and are subject to the preapproval requirements above..
- *Personal Trading Plans:* Directors, employees and related parties may trade in MBIA securities at any time, including during any “blackout periods” as described above if (i) the trade is done pursuant to a personal trading plan that meets the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, is approved by the Legal Division or Compliance and is adopted at a time when the person adopting the plan is not in possession of material inside information and when the securities subject to the plan are otherwise permitted to be traded or (ii) the order to buy or sell the securities is given to a broker while the director or employee (or related party) is otherwise permitted to trade the security, provided that the order is properly documented by the broker. To be approved by the Legal Division or Compliance, a personal trading plan should indicate the dates of, or price levels at which, and the number of securities that the director or employee (or related party) plans to buy or sell on those dates or at those price levels. Please refer to the **MBIA Inc. Policy Statement: The Insider Trading Policy (Appendix D)** under Rule 10b5-1 for more information.
- *Derivative Transactions:* Covered Persons are prohibited from engaging in short sales or transactions involving puts, calls and other types of derivative securities in MBIA securities, including equity swaps and similar derivative transactions.
- *Reporting:* Directors, executive officers and other persons who are required to file reports under Section 16 of the Securities and Exchange Act of 1934 (“Reporting Persons”) must file reports of transactions in MBIA Inc. stock within two (2) business days following the execution of the transactions. Therefore, in order to ensure timely reporting of these trades by MBIA on his or her behalf, each Reporting Person shall

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notify the Legal Division or Compliance at least two (2) business days prior to a proposed transaction in MBIA Inc. stock, unless the transaction is pursuant to a personal trading plan described above. Personal trading plans on file with the Legal Division or Compliance constitute the required notice. Promptly after the completed transaction, either the Reporting Person or his/her broker must provide the terms of the trade including the type of transaction, the share price and the number of shares to the Legal Division or Compliance.

- ***Retirement Plan Blackout Periods:*** All trading by directors and executive officers, including any trades under personal trading plans, must be suspended during certain “blackout periods” that are imposed on any MBIA retirement plans (“Retirement Plan Blackout Periods”). Regularly scheduled “blackout periods” are excluded. The Company will notify directors and executive officers of any Retirement Plan Blackout Periods.

B. Confidential and Sensitive Information

The **MBIA Inc. Policy Statement: Conflicts of Interest Policy (Appendix C)** outlines communications procedures for various MBIA subsidiaries and constituents, such as broker-dealers and the SEC. Please review that Policy for more information.

Client Information: Information from or about any of our clients is to be used for MBIA’s legitimate business purposes in evaluating credit or other aspects of the business relationship, and in performing services for the client, and is to be treated as strictly confidential. No such information can be disclosed to any outside person for any purpose whatsoever, without management approval. In some instances, the client’s written consent may also be required. This information includes, but is not limited to, home address, date of birth, social security numbers, employment history, compensation information, and medical information (collectively, “Client Information”). You may respond to requests for trade references, but responses must be limited to non-qualitative factual information regarding MBIA’s business relationship with the entity.

MBIA Information: MBIA information includes information concerning MBIA’s business and operations, its clients (including any information given MBIA by its clients), transactions in which it is involved, intellectual property, memoranda, studies, transaction structures, credit analysis, object or source code, proprietary software, flow charts, diagrams, models or spreadsheets (including those related to risk, pricing or returns) and other tangible or intangible material of any nature, that is produced by you or as a result of your services to MBIA, or to which you may otherwise have access or obtain in your position with MBIA, it being intended that, if produced by a Covered Person, such materials shall be deemed “works made for hire,” of which MBIA shall be deemed the author (collectively, “MBIA Information”). MBIA Information is the sole and exclusive property of MBIA. Please refer to the **MBIA Inc. Policy Statement: Intellectual Property Policy (Appendix K)** for more information.

Care must be taken to safeguard the confidentiality of information about MBIA, its clients and its business. You are required to preserve the confidentiality of, and may not use, any MBIA Information or Client Information obtained in the course of your employment or engagement with MBIA other than for the purpose of performing services in your position with MBIA. You must return and not destroy any MBIA Information and Client Information upon termination of your employment or engagement and must preserve the confidentiality

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of any MBIA Information and Client Information even after your position has ended. Upon termination you may only retain personal information and items. All electronic and paper files are to be forwarded to your supervisor who will determine which information should go to the Records Management Center, the Human Resources Department or be disposed of in any other manner. Please refer to the **MBIA Inc. Policy Statement: Records Retention, Filing and Disposal Policy (Appendix L)** for more information.

It is MBIA's policy that material inside information may not be shared with Covered Persons or anyone outside the Company except where the information is related to the performance of the recipient's job (i.e., on a "need to know" basis). Please refer to the **MBIA Inc. Policy Statement: Insider Trading Policy (Appendix D)** for more information.

Covered Person Information: Information such as a Covered Person's salary and benefits, credit information, date of birth, social security number, address, employment or medical history is considered confidential MBIA information and must not be revealed to anyone, including other Covered Persons, except by an appropriate officer or designee of MBIA. No employment references or recommendations may be given or denied except by an authorized employee of MBIA.

Nothing herein shall be deemed to limit an employee's rights under the law including, without limitation, an employee's right to provide information to or cooperate with any government or regulatory agency investigation.

Third Party Contracts: All agreements with third parties such as vendors or contractors who may have access to MBIA Information or Client Information should include requirements specifying adherence to MBIA policies governing confidential MBIA or Client Information to the extent applicable. All such contracts should contain a non-disclosure requirement. MBIA Information or Client Information obtained by a third party as a result of any contractual agreement is proprietary and confidential. Data sharing and/or exchange shall require rules that are clearly specified and configured into the contract describing the general obligations and expectations of each party.

Confidential documents should not be left out in plain view, and visitors should not be left unattended in offices or conference rooms containing confidential information. Reproduction of confidential documents should be kept to an absolute minimum.

You must promptly report any potential or actual unauthorized disclosure of confidential Covered Person information, Client Information or MBIA Information, including confidential information in an electronic format, to the Chief Compliance Officer, any member of the Compliance Committee or to the Chief Legal Officer.

C. Media and Investor Communications

Unless authorized, if you receive an inquiry relating to MBIA from the media, a securities analyst or investor, you should refer the call to the Corporate Communications Department or an Investor Relations spokesperson, as appropriate.

Fair Disclosure Policy Statement: MBIA's policy is to disclose material inside information only through broad public disclosure such as press releases and conference calls that can be accessed by all investors and the media. Selective disclosure of material inside information about MBIA to anyone is prohibited. Selective disclosure is disclosure

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that is not simultaneously available to all investors, such as one-on-one telephone calls with analysts, investor presentations or correspondence.

Please review the section entitled “Fair Disclosure Policy Statement” in the **MBIA Inc. Policy Statement: Disclosure Policy (Appendix E)**, for more information regarding MBIA’s policies with respect to selective disclosure of information about MBIA and its businesses. In particular, please note that the following communications that include disclosure about MBIA Inc. or its subsidiaries must be reviewed by the Legal, Investor Relations, and Corporate Communications Departments before use, in accordance with the **MBIA Inc. Policy statement: Disclosure Policy: Appendix E**:

- speeches (where such speech substantively varies from current disclosure regarding MBIA Inc. and its subsidiaries),
- MBIA Inc. or subsidiary press releases,
- presentations to current or prospective securities analysts, investors, clients, regulators, ratings agencies or business counterparties (where such presentation substantively varies from a presentation or presentation template already approved through the process laid out above),
- website statements and non-routine postings,
- television and radio appearances by employees and
- publicly available regulatory filings.

Materials that are expected to be used on an ongoing basis should be reviewed periodically in accordance with this process and, in addition, should be reviewed prior to each use by appropriate subject matter experts.

Disclosure Policy Statement: It is MBIA’s policy that all reports filed or furnished with the SEC be complete, accurate and timely and made in accordance with applicable securities laws and regulations and the procedures. Please refer to the **MBIA Inc. Policy Statement: Disclosure Policy (Appendix E)** for more information.

D. Documenting, Recording and Reporting Information

All of our transactions must be recorded accurately, truthfully and in a timely manner, without exaggeration, legal conclusions or derogatory remarks or characterizations about other people or companies. Understating or overstating reports of revenues, premiums, sales, expenses or other material financial information, or altering documents used to support these reports, is prohibited. Please refer to the **MBIA Inc. Policy Statement: Disclosure Policy (Appendix E)** for more information.

All commitments, transactions and obligations that are undertaken on behalf of MBIA must be properly documented and recorded in writing and disclosed and made available to all of the affected parties. Oral commitments, agreements and understandings are prohibited other than ordinary course trading activity which is promptly confirmed in writing.

E. Records Management

It is the Company’s policy to keep Records only so long as the Company is required to maintain them for legal or on-going business or operational reasons, subject to Legal Hold requirements as described below.

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Covered Person Policy

It is therefore our policy that you:

- Know which of their Records are “Important Records”—i.e, required to be maintained for legal, business or operational purposes, such as binding corporate contracts and corporate formation documents, business line transaction documents, relevant supporting workpapers and materials required to be maintained by regulation or contract, such as licensing, disclosure, accounting, employment and other records;
- Dispose of Records that are not Important Records routinely, subject to Legal Holds; such Records might include drafts of legal agreements and drafts of SEC filings (once the definitive agreements have been signed or the filings made), work notes or working files that are no longer needed, duplicates, correspondence (including e-mails) having no apparent continuing business use and other similar Records.
- For each of your Important Records,
 - **know the retention period and appropriate MBIA file system** for them—it is the Company’s policy that Records should not be maintained in any location other than an MBIA network, office or storage facility and that no Company business should be conducted using personal electronic mail accounts,
 - promptly file and index them in the appropriate system in an orderly fashion, with reasonable security and in a readily accessible form, and
 - appropriately, and at the right time, dispose of them, keeping in mind applicable Legal Holds.
- Ask the Legal or Compliance groups if you are unsure of how a Legal Hold would apply to your Records, and follow the Legal Hold Policy below.

All Records generated in connection with the business of MBIA or sent or received using an MBIA system, in whatever form, including any electronic communication, are at all times the property of MBIA and not of the individual who generates, receives or maintains such Records, unless international laws or regulations specify otherwise. **The MBIA Technology Use Policy, included as Appendix M to the MBIA Standard of Conduct, governs the access, use, and security of electronic communications.**

RMC, IT Division, Legal Division and Division Representatives Policy

It is also the Company’s policy that the Records Management Center, Information Technology Division, Legal Division and each Division Representative shall establish and comply with procedures designed to meet the objectives above with regard to Records controlled by those groups, including Records filed with the RMC, Electronic Records and Backup Tapes, the Legal Hold Policy below and Divisional Records, respectively.

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Legal Hold Policy

Notwithstanding any retention or disposal guidelines in this Policy, whenever a Covered Person has information or a reasonable basis for determining that Records pertain to a legal proceeding or government investigation that is pending or which the Covered Person with control over the Records believes to be reasonably likely, all such relevant Records should be preserved, ordinary disposal of such Records should be suspended and the Covered Person should notify the Legal Division immediately of such information or basis for determination. Hold notices sent by the Legal Division based on such information (“Legal Holds”) supersede the routine retention, maintenance and disposal requirements under this Policy; Records that are subject to Legal Holds must be retained until the Legal Division specifically authorizes their disposal. If a Covered Person is uncertain whether certain Records should be preserved because of their potential relevance to a legal proceeding or investigation, the Legal Division or Compliance should be consulted. A compilation of open Legal Hold notices is available from the Legal Division and may be made available on the corporate intranet (“Legal Hold Summary”).

The Records Management Center at MBIA’s headquarters in Armonk, New York has enterprise-wide responsibility for developing, administering and coordinating MBIA’s records management program, and issuance of filing, retention and destruction guidelines for all centrally filed records.

Please refer to the **MBIA Inc. Policy Statement: Record Retention, Filing and Disposal Policy (Appendix L)** (for purposes of this section, the “Policy”) for information on the retention and disposal of specific categories of information.

F. Use of MBIA Property

Company Funds: If you are entrusted with Company funds, you are personally responsible for the handling of those funds.

Physical Assets: You are or may be entrusted with a number of MBIA’s physical assets, such as computer equipment, handheld electronic devices, corporate charge cards, telephones and office supplies. These assets should be used only to conduct MBIA’s business or for other purposes authorized by management, and must be protected from loss, damage, misuse or theft.

Information Technology: MBIA’s information systems, such as Internet access, e-mail and software programs, are vital to the Company’s business. You should use them only for business purposes, or for incidental purposes approved by your manager or the Chief Compliance Officer. Using the Internet to visit sites with sexual or hate content is an inappropriate and prohibited use of MBIA assets.

All information stored in the MBIA computer system, such as data files or word processing documents, is to be treated as MBIA Information. Please refer to the **MBIA Inc. Policy Statement: Technology Use Policy (Appendix M)** for Company standards relating to the use and protection of computer and information assets.

MBIA reserves the right to access, monitor or review any and all aspects of the MBIA computer system for *any* reason at any time and without your permission. This includes

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using all accessed information for any purpose whatsoever, as well as possible monitoring by the Company of web sites visited by employees, chat rooms, instant messages, news groups and social networking activities, e-mail (including personal e-mail accounts accessed by employees using MBIA's computer system or equipment), and blogs, as well as review of deleted files, temporary files, cached files, browsing history, metadata, and other electronic information stored on the Company's systems or otherwise available as part of its data management. You have no right to or expectation of privacy in e-mail or any data stored, created, received, or sent on MBIA assets.

G. Intellectual Property

It is MBIA's policy not to violate the laws protecting intellectual property, including reproducing any copyrighted work in print, video or digital form in violation of the law or infringing on patent or trademark rights. It is also the Company's policy to protect its rights and interests in any inventions, information, products, technologies and other assets or material that you develop as part of your job or while using Company resources.

MBIA has photocopying and downloading agreements with third-party services that allow MBIA to copy, download, e-mail and distribute excerpts from selected copyrighted works domestically and internationally for internal purposes only, subject to certain conditions. No excerpts may be manipulated or changed. Before copying or downloading any material, contact the MBIA Corporate Information Center to confirm MBIA's rights to the material.

Please refer to the **MBIA Inc. Policy Statement: Intellectual Property Policy (Appendix K)** for more information. The Policy establishes guidelines for the use of intellectual property, whether owned by MBIA or others, in the course of conducting business.

VI. Enforcement of the Standard of Conduct

A. Administration of the Standard of Conduct

Chief Compliance Officer and Compliance Committee: To implement the Standard of Conduct, the Company has a Chief Compliance Officer and a Compliance Committee comprising the Chief Compliance Officer, Managing Director of Human Resources, Managing Director of Internal Audit, Director of Operational Risk, and operating unit General Counsels, with the Chief Compliance Officer serving as chairperson. The Chief Compliance Officer is responsible for receiving and investigating reports of unethical, criminal or potentially criminal wrongdoing, and for the implementation of compliance standards and procedures. From time to time, you may be asked to meet with the Chief Compliance Officer or the Compliance Committee to assist them in carrying out their duties or to attend specialized compliance training programs. You are expected to cooperate with the Chief Compliance Officer and the Compliance Committee.

Please refer to the **MBIA Inc. Policy Statement: Compliance Policy (Appendix A)** for more information.

Senior Management and Board of Directors Waivers: Any waiver of any of the provisions of the Standard of Conduct relating to a member of the senior management team or to a director of MBIA Inc. must be given by the Board of Directors of MBIA Inc. or

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a committee of the Board, or its designee, and must be promptly disclosed to shareholders to the extent required by applicable law and regulation in effect at the time.

Other Waivers: In addition, any waiver of any of the provisions of the Standard of Conduct relating to any Covered Person other than a member of the senior management team or a director of MBIA Inc. must be granted by the Chief Legal Officer or Chief Compliance Officer.

B. Compliance with the Standard of Conduct

Compliance Acknowledgment: You will be asked from time to time to sign a statement certifying that you have read and understand the Standard of Conduct and that your failure to abide by the Standard of Conduct may result in disciplinary and/or legal action, including termination and/or forfeiture of certain benefits.

Reporting Responsibility: You must report any potential compliance-related matter to, or consult with in respect of compliance-related questions, the Chief Compliance Officer, the Chief Legal officer or the appropriate compliance contact, as set forth below:

1. *Anonymous Reporting of Compliance or Ethical Issues* – the MBIA Alert Line
2. *Conflicts of Interest, Reports of Unethical, Criminal or Potentially Criminal Wrongdoing and Other Compliance Matters* – the Chief Compliance Officer or any member of the Compliance Committee
3. *Discrimination, Harassment or Retaliation* – report to an immediate supervisor, the Managing Director of Human Resources, the Chief Legal Officer, the Chief Compliance Officer or the MBIA Alert Line before the conduct becomes severe or pervasive. Individuals should not feel obligated to raise concerns of these kinds of violations with their immediate supervisor first before bringing the matter to the attention of one of the other MBIA designated representatives identified above.
4. *Regulatory Requests and Responses to Such Requests* – the Chief Compliance Officer of MBIA or of the operating entity
5. *Operating Entity Specific Concerns* - the Chief Compliance Officer or Chief Legal Officer of MBIA or of the operating entity
6. *Interpretations and Scope of Applicable Law and Regulations* – an in-house lawyer assigned to the relevant business line or to general corporate matters
7. *General Corporate Matters* – an in-house lawyer assigned to general corporate matters
8. *Litigation* – an in-house lawyer assigned to litigation

You must report either directly or anonymously any violations of any applicable policies, procedures, laws or regulations or any unethical or criminal conduct, including past violations or conduct not known to have been reported, to the Chief Compliance Officer or MBIA Alert Line.

If you report a violation or potential violation in good faith, you will not suffer retaliation or adverse employment action because of your report. Individuals who observe or learn of unlawful or potentially unlawful conduct and fail to report it may be subject to disciplinary and/or legal action, including possibly termination and/or, to the extent permitted by law, forfeiture of certain benefits. Under certain circumstances, managers who may be responsible for the failure to detect a criminal offense may be disciplined as well. Any

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questions regarding this reporting policy should be directed to the Chief Compliance Officer, a manager, the Compliance Committee or the Legal Division.

Please refer to the **MBIA Inc. Policy Statement: Compliance Policy (Appendix A)** for more information.

C. MBIA Alert Line

In compliance with federal law, MBIA has established a procedure for you to anonymously report complaints related to accounting, financial reporting and fraud concerns. The MBIA Alert Line also may be used to report complaints or concerns relating to potential violations of law or regulation that govern MBIA's business activities, the Standard of Conduct or a lapse in business ethics.

The Company has engaged a third party service provider, currently Global Compliance Services, to set up and maintain a telephone hotline that you can use to report these complaints. The MBIA Alert Line is toll-free and is staffed 24 hours a day, 7 days a week, 365 days a year by trained employees of the service provider. Covered Persons in the U.S., Canada and Mexico should call toll free at 1-866-814-2692. Covered Persons outside North America should call 1-704-943-1128 after first dialing their applicable country code. These calls will be on a collect basis. Calls may be made anonymously and no information which could be used to identify a caller (e.g., caller ID or voice recordings) is provided to MBIA; provided, however, you can provide your name if you wish to do so.

Any concerns reported through the MBIA Alert Line will be documented and communicated to MBIA anonymously for internal investigation and follow-up. MBIA cannot and will not engage in any retaliatory or adverse employment action against you because of your good faith use of the MBIA Alert Line.

Information concerning the MBIA Alert Line can also be found on MBIA's intranet system.

The Company encourages you to promptly report any concerns with respect to accounting, financial reporting, fraud, complaints or concerns relating to potential violations of law or regulation that govern MBIA's business activities, the Standard of Conduct or a lapse in business ethics. You also may report these concerns in accordance with Section V. B. of the Standard of Conduct.

D. Authority to Take Corporate Action

You may only commit the Company to enter an agreement or take a legal action if the Company is authorized to do so, you are authorized to represent the Company and the Legal Division has approved the action. These requirements allow the Company to meet corporate governance objectives as well as reporting, disclosure, and regulatory requirements.

When executing an agreement, filing legal documents, forming a legal entity or affiliate or otherwise legally committing the Company, confirm with the Legal Division that the Company and you have clear authority to do so. **Also confirm that the agreement, transaction or document has been reviewed by the Legal Division.** If you are not sure about whether the action is authorized and has been appropriately approved, or whether

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you have signing authority for the legal entity, please check with the Legal Division or Compliance. Please also refer to the MBIA Inc. Policy Statement: Compliance Policy (Appendix A) for more information. In addition, all engagements of vendors must comply with the **MBIA Inc. Policy Statement: Vendor Management Policy (Appendix O)**.

E. Internal Controls

MBIA has identified, established and implemented a new Internal Controls Policy to ensure compliance with regulatory requirements, to provide for timely and accurate financial reporting, and to fulfill corporate objectives. These controls are designed to eliminate fraud, waste, and unauthorized access to and misuse of financial and physical assets.

MBIA's policy is intended to ensure that there is a consistent and effective system of internal controls, and to provide reasonable assurance that these controls – used for management decisions, business processes and all reporting purposes – are effective and working as expected. Please refer to the **MBIA Inc. Policy Statement: Internal Controls Policy (Appendix Q)** for more information.

F. Operational Risk

A failure to implement the Standard of Conduct or the attached policies may also be an operational risk. Operational risk means the risk of any of the following events resulting from human behavior, inadequate or failed implementation or execution of the Company's internal guidelines, policies, or procedures:

- direct or indirect financial loss or liability;
- a material disruption of the Company's business operations; or
- damage to the Company's reputation or relationship with shareholders, policyholders, rating agencies, reinsurers, regulators, auditors, clients, vendors or other business associates.

Operational risk does not include credit, market, liquidity or insurance risk, though an operational failure could result in a loss in any one of these areas.

It is MBIA's policy that the Company will be managed with reasonable care to avoid or reduce operational risk, and, when a risk event occurs, to mitigate the impact of the risk event on the Company and its constituents. Please refer to the **MBIA Inc. Policy Statement: Operational Risk Policy (Appendix N)** for more information.

You must report either directly or anonymously any operational risk, including any potential or past operational risk not known to have been reported, to the Head of Operational Risk, a divisional operational risk champion or the MBIA Alert Line. In addition, any operational risk that is a violation of the Standard of Conduct or the attached policies, or that is otherwise a compliance-related matter, should also be reported in accordance with Section V. B., Compliance with the Standard of Conduct.

This Standard of Conduct will be effective July 1, 2013.

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ACKNOWLEDGMENT

I have read and understand the MBIA Standard of Conduct, and I agree to comply in all respects with its terms and provisions. I understand that the appendices referred to in the Standard of Conduct contain more detailed policies and procedures related to the topics covered in the appendices, and I will refer to the appendices when appropriate.

I understand that my failure to comply with the Standard of Conduct including its appendices may result in disciplinary and/or legal action, including termination and/or forfeiture of certain benefits.

I understand and acknowledge that MBIA is an “at will” employer, and as such, employment with MBIA is not for a fixed term or definite period. This Standard of Conduct, including its appendices, sets forth some of MBIA’s policies and practices in effect on the date of publication, which may change from time to time, and at any time. I also understand that these policies and procedures are continually evaluated and may be amended, modified or terminated at any time by MBIA.

Print Name

Signature

Date