

GUIDING PRINCIPLES CONCERNING RESPONSIBLE INVESTING

The principal objective in the management of investment portfolios for Ambac and its subsidiaries is to maximize risk-adjusted returns, subject to regulatory and other constraints. These constraints include maintenance of an appropriate level of liquidity and prudent management of interest rate and credit risk. Ambac also recognizes the importance of ESG considerations when assessing investment returns and risks over time. Operational and reputational risks relating to assets held in the investment portfolios are among these considerations.

Achieving a competitive investment return is an important determinant of the Company's ability to satisfy its obligations to policyholders. Ambac seeks to balance that goal with an intent to observe ESG principles. These include commitments to the environment, to diversity and to ethical conduct.

The majority of the investments held by Ambac and its subsidiaries are managed by third party investment managers. Most are signatories to the U.N. Principles for Responsible Investment ("UNPRI"). Such signatories are required to incorporate ESG factors into their respective investment processes and we encourage all our external investment managers to adhere to their own ESG policies. In this way we can more effectively assess and monitor ESG-related exposures.

Beginning in 2022, management began to provide regular reports to Ambac's Governance and Nominating Committee regarding ESG investing matters.