

Ambac Financial Group, Inc.

Charter of the Strategy and Risk Policy Committee of the Board of Directors

(Dated as of December 15, 2015)

I. Purpose

This Charter specifies the scope and responsibilities of the Strategy and Risk Policy Committee (the “Committee”) of the Board of Directors of Ambac Financial Group, Inc. (the “Company”) and the manner in which those responsibilities shall be performed, including its structure, process and membership requirements. The Committee is established by the Board of Directors (the “Board”) for the primary purpose of assisting the Board in:

- Overseeing development and implementation of, and making recommendations regarding strategic transactions, opportunities and alternatives for the Company.
- Overseeing the Company’s risk management framework, including the significant policies and practices used in managing credit, market, investment, operational and certain other risks, in conjunction with the Audit Committee and the Board of Directors.
- Overseeing the Company’s policies and practices relating to treasury matters, including capital, liquidity and financing.

While the Committee has the responsibilities and powers set forth in this Charter, management is responsible for designing, implementing and maintaining an effective risk program. The Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in this Charter. In addition, the Committee will also undertake such other actions or duties as the Board may from time to time prescribe.

II. Resources and Authority.

- A. *Investigations.*** The Committee has the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal, financial, or other advisers, as necessary, to perform its duties and responsibilities.
- B. *Engagement of Advisers.*** The Committee has the authority, at the Company’s expense, to retain any independent counsel, experts, consultants, financial and other advisors as the Committee may deem appropriate, at its sole discretion, and the Committee shall have the sole authority to approve any such advisor’s fees and other retention terms. Such engagement shall not require approval of the Board.
- C. *Delegation to Subcommittees.*** In fulfilling its responsibilities, the Committee shall be entitled to delegate, in compliance with applicable listing rules and law, any or all

of its responsibilities to a subcommittee of the Committee which shall be comprised of one or more Committee members.

- D. *Employees.*** In carrying out its duties and responsibilities, the Committee shall also have the authority to meet with and seek any information it requires from employees, officers, directors, or external parties.

III. Structure and Process.

- A. *Composition and Qualifications.*** The Committee shall be comprised of two or more directors as determined by the Board. A majority of the Committee members will satisfy the requirements of qualifying as an "independent director" as defined under the rules of NASDAQ or such other securities exchange(s) on which the Company's securities are listed and the determination of independence will be made by the Board.
- B. *Appointment and Removal.*** The members of the Committee will be appointed by the Board to serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee serve at the discretion of the Board and may be removed, with or without cause, by a majority vote of the Board.
- C. *Chairperson.*** Unless a Chairperson is elected by the full Board, the members of the Committee may designate a Chairperson by majority vote.
- D. *Compensation.*** Members and the Chairman of the Committee shall receive such fees, if any, for their service as Committee members and Chairperson as may be determined by the Board, upon the recommendation of the Corporate Governance and Nominating Committee.

IV. Meetings

- A. *Frequency and Notice.*** The Committee will meet as frequently as circumstances dictate. The Committee may establish its own meeting schedule.
- B. *Agenda and Board Materials.*** The Chairperson will approve the agenda for the Committee's meetings and any member may suggest items for consideration. Briefing materials will be provided to the Committee as far in advance of meetings as practicable. The Committee Chairperson shall preside at each meeting. In the event the Committee Chairperson is not present at a meeting, the Committee members present at that meeting shall designate one of its members as the acting chair of such meeting.
- C. *Attendance.*** The Committee may request any Board member, officer or employee of or consultant to the Company or the Company's outside counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or

consultants to, the Committee. The Committee may also exclude from its meetings any persons it deems appropriate.

D. *Reports and Minutes.* The Committee will report its activities and actions to the Board on a regular basis and maintain minutes or other records of meetings and activities of the Committee, including actions taken by unanimous written consent, which will be filed with the minutes of the meetings of the Board.

E. *Meetings with Management.* As part of its responsibility to foster open communication, the Committee will meet periodically with management.

V. Duties and Responsibilities.

To fulfill its responsibilities and duties, the Committee will take the following actions to the extent such actions are not required to be taken by the Board or by another committee of the Board under securities or exchange rules:

A. *Oversight of Risk Management*

In conjunction with the Audit Committee and the Board of Directors:

1. Reviewing the Company's risk management frameworks for the managing risk exposure, including credit risk, market risk, operational risk, interest rate risk, investment risk and liquidity risk.
2. Monitoring actual risk exposures against risk appetite and considering *ad hoc* risk--related exception reports of a material nature.
3. Escalating risk matters to the Board if such matters would result in a breach of the Board-approved risk appetites.
4. Reviewing with management the Company's loss mitigation and remediation strategies and processes.
5. Reviewing the Company's counterparty credit risk, including in connection with general financial relationships.
6. Reviewing the integration between the Company's risk management procedures and its capital modeling procedures.
7. Reviewing and discussing with management, at least annually:
 - the key guidelines and policies governing the Company's significant processes for risk assessment and risk management; and
 - the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

B. *Oversight of Capital Structure, Financing and Treasury Matters*

1. Subject to the provisions below, reviewing, evaluating and recommending to the Board the proposed terms of any of the following financing activities conducted by the Company that requires Board approval:
 - (i) the incurrence or refinancing of any indebtedness;
 - (ii) the formation of any credit facilities with lending or other institutions for corporate financings and/or general working capital purposes;
 - (iii) the issuance of any debt or equity securities in private or public transactions;
 - (iv) the repurchase of any outstanding equity or debt securities;
 - (v) the payment of dividends on the Company's common or preferred stock;
 - (vi) guaranteeing indebtedness or other financial and performance obligations of the Company's subsidiaries or third parties; and
 - (vii) such other corporate financing activities as would require the review and approval of the Board.
2. Reviewing the Company's short-term and long-term financial and investment guidelines, plans and strategies.
3. Reviewing the Company's annual budget.
4. Reviewing and making recommendations to the Board with respect to any proposal by the Company to divest, other than in the ordinary course of business, any asset, investment, real or personal property, or business interest where the aggregate amount of consideration received by the Company or from the Company (including the assumption of debt and liabilities) is material in light of the financial position of the Company.
5. Reviewing and making recommendations to the Board regarding strategic plans and initiatives, including potential investments in joint ventures, mergers, acquisitions, and other business combinations involving the Company where the aggregate amount of consideration from the Company (including the assumption of debt and liabilities), or received by the Company (including the assumption of debt and liabilities), is material in light of the financial position of the Company.
6. Reviewing and making recommendations to the Board regarding solicited or unsolicited strategic transactions, opportunities and alternatives involving the Company or the interest of the Company in any direct or indirect subsidiary.

7. Reviewing and making recommendations to the Board regarding the interest of the Company in any liquidation, run-off, or other management or disposition of the assets and liabilities of Ambac Assurance Corporation and each other direct or indirect subsidiary of the Company.
8. In conjunction with the Audit Committee, reviewing and making recommendations to the Board regarding its interest in risk management policies, procedures and practices at Ambac Assurance Corporation and each other direct or indirect subsidiary of the Company, including those affecting commercial, credit, liquidity, interest rate, regulatory and counterparty risks, internal controls and financing and treasury activities.
9. Providing general oversight for the Company's treasury activities, including reviewing the Company's principal commercial and investment banking relationships, its banking and treasury authorizations, and material terms of the Company's credit facilities in light of the Company's operating strategy, risk exposures, financial policies and changes in applicable law or accounting requirements.

VI. Annual Performance Evaluation.

The Committee shall periodically perform a review and self-evaluation of the performance of the Committee and its members, including a reviewing of the compliance by the Committee with this Charter. In addition, the Committee shall periodically review and reassess the adequacy of this Charter and recommend to the Board any revisions to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.