

ASSURED GUARANTY LTD
Form PRE 14A
March 12, 2010

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[TABLE OF CONTENTS](#)

[TABLE OF CONTENTS](#)

[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

Assured Guaranty Ltd.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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Table of Contents

PRELIMINARY PROXY STATEMENT, SUBJECT TO COMPLETION

March 24, 2010
Hamilton, Bermuda

Dear Shareholders:

It is with great pleasure that we invite you to our 2010 Annual General Meeting of shareholders. The meeting will be held on Thursday, May 6, 2010 at the Fairmont Hamilton Princess Hotel, 76 Pitts Bay Road, Hamilton, Bermuda at 8:00 a.m. Atlantic Time.

Our formal agenda for this year's meeting is to vote on the election of directors, to vote on amended and restated Bye-laws, to ratify the selection of independent auditors for 2010, and to direct us to vote on directors and/or independent auditors for certain of our subsidiaries. In addition, we will report to you the highlights of 2009 and discuss the outlook for our business in 2010. We will also answer any questions you may have. Representatives of our independent accountants will be in attendance at the meeting and will be available to answer questions as well.

Whether or not you plan to attend the meeting, your vote on these matters is important to us. Please complete, sign and return the enclosed proxy card in the envelope provided. Alternatively, you can vote your proxy by telephone or through the Internet by following the instructions on the enclosed proxy card.

If you are a beneficial holder of our shares, we urge you to give voting instructions to your broker so that your vote can be counted. This is especially important since the New York Stock Exchange no longer allows brokers to cast votes with respect to the election of directors unless they have received instructions from the beneficial owner of shares.

We look forward to seeing you at the meeting.

Sincerely,

Walter A. Scott
Chairman of the Board

Dominic J. Frederico
President and Chief Executive Officer

Table of Contents

NOTICE OF ANNUAL GENERAL MEETING

March 24, 2010
Hamilton, Bermuda

TO THE SHAREHOLDERS OF ASSURED GUARANTY LTD.:

The Annual General Meeting of Assured Guaranty Ltd., which we refer to as AGL, will be held on Thursday, May 6, 2010, at 8:00 a.m. Atlantic Time at the Fairmont Hamilton Princess, 76 Pitts Bay Road, Hamilton, Bermuda, for the following purposes:

1. To elect three Class III directors to hold office until 2013;
2. To vote on the first amended and restated Bye-laws of AGL;
3. To ratify the appointment of PricewaterhouseCoopers LLP as AGL's independent auditors for the fiscal year ending December 31, 2010;
4. To direct AGL to vote for directors of, and the ratification of the appointment of independent auditors for its subsidiary, Assured Guaranty Re Ltd. and to direct AGL to vote for the ratification of independent auditors for its subsidiary, Assured Guaranty Ireland Holdings Ltd.; and
5. To transact such other business, if any, as lawfully may be brought before the meeting.

Only shareholders of record, as shown by the transfer books of AGL, at the close of business on March 16, 2010, are entitled to notice of, and to vote at, the Annual General Meeting.

PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY IN THE RETURN ENVELOPE FURNISHED FOR THAT PURPOSE AS PROMPTLY AS POSSIBLE, WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING. IF YOU LATER DESIRE TO REVOKE YOUR PROXY FOR ANY REASON, YOU MAY DO SO IN THE MANNER DESCRIBED IN THE ATTACHED PROXY STATEMENT. YOU MAY ALSO VOTE BY TELEPHONE OR OVER THE INTERNET BY FOLLOWING THE VOTING INSTRUCTIONS PRINTED ON THE ACCOMPANYING PROXY CARD. FOR FURTHER INFORMATION CONCERNING THE INDIVIDUALS NOMINATED AS DIRECTORS, THE PROPOSALS BEING VOTED UPON, USE OF THE PROXY AND OTHER RELATED MATTERS, YOU ARE URGED TO READ THE ATTACHED PROXY STATEMENT.

By Order of the Board of Directors,

James M. Michener
Secretary

Table of Contents

TABLE OF CONTENTS

	Page
<u>INFORMATION ABOUT THE ANNUAL GENERAL MEETING AND VOTING</u>	
<u>Why did you send me this proxy statement?</u>	<u>1</u>
<u>What proposals will be voted on at the Annual General Meeting?</u>	<u>1</u>
<u>Are proxy materials available on the Internet?</u>	<u>1</u>
<u>Who is entitled to vote?</u>	<u>2</u>
<u>How many votes do I have?</u>	<u>2</u>
<u>What is the difference between holding shares as a shareholder of record and as a beneficial owner?</u>	<u>2</u>
<u>How do I vote by proxy if I am a shareholder of record?</u>	<u>3</u>
<u>How do I give voting instructions if I am a beneficial holder?</u>	<u>3</u>
<u>May I vote by telephone or via the Internet?</u>	<u>3</u>
<u>May I revoke my proxy?</u>	<u>4</u>
<u>How do I vote in person at the Annual General Meeting?</u>	<u>4</u>
<u>What votes need to be present to hold the Annual General Meeting?</u>	<u>4</u>
<u>What vote is required to approve each proposal?</u>	<u>5</u>
<u>How are votes counted?</u>	<u>5</u>
<u>What is the effect of broker non-votes and abstentions?</u>	<u>5</u>
<u>Are there any voting agreements with respect to our common shares?</u>	<u>5</u>
<u>What are the costs of soliciting these proxies and who will pay them?</u>	<u>6</u>
<u>Where can I find the voting results?</u>	<u>6</u>
<u>Will AGL's independent accountants attend the Annual General Meeting?</u>	<u>6</u>
<u>Do directors attend the Annual General Meeting?</u>	<u>6</u>
<u>Can a shareholder communicate directly with our Board? If so, how?</u>	<u>6</u>
<u>Whom should I call if I have any questions?</u>	<u>6</u>
<u>CORPORATE GOVERNANCE</u>	
<u>Overview</u>	<u>7</u>
<u>The Board of Directors</u>	<u>7</u>
<u>Director independence</u>	<u>8</u>

<u>The committees of the Board</u>	<u>9</u>
<u>How are directors compensated?</u>	<u>9</u>
<u>What is our Board leadership structure?</u>	<u>11</u>
<u>How does the Board oversee risk?</u>	<u>13</u>
<u>How are directors nominated?</u>	<u>13</u>
<u>Compensation Committee interlocking and insider participation</u>	<u>14</u>
<u>What is our related person transactions approval policy and what procedures do we use to implement it?</u>	<u>16</u>
<u>What related person transactions do we have?</u>	<u>16</u>
<u>Did our insiders comply with Section 16(a) beneficial ownership reporting in 2009?</u>	<u>17</u>
	<u>21</u>

Table of Contents

	Page
<u>PROPOSAL NO. 1: ELECTION OF DIRECTORS</u>	<u>22</u>
<u>General</u>	<u>22</u>
<u>Nominees for election for terms expiring in 2013</u>	<u>22</u>
<u>Directors whose terms of office will continue after this meeting</u>	<u>23</u>
<u>INFORMATION ABOUT OUR COMMON SHARE OWNERSHIP</u>	<u>28</u>
<u>How much stock is owned by directors and executive officers?</u>	<u>28</u>
<u>Which shareholders own more than 5% of our common shares?</u>	<u>29</u>
<u>EXECUTIVE COMPENSATION</u>	<u>30</u>
<u>Compensation Discussion and Analysis</u>	<u>30</u>
<u>Compensation Committee Report</u>	<u>47</u>
<u>2009 Summary Compensation Table</u>	<u>48</u>
<u>Employment Agreements</u>	<u>49</u>
<u>Employee Stock Purchase Plan</u>	<u>53</u>
<u>Indemnification Agreements</u>	<u>53</u>
<u>2009 Grants of Plan-Based Awards</u>	<u>54</u>
<u>Outstanding Equity Awards at December 31, 2009</u>	<u>55</u>
<u>2009 Option Exercises and Stock Vested</u>	<u>56</u>
<u>Nonqualified Deferred Compensation</u>	<u>56</u>
<u>Potential Payments Upon Termination or Change in Control</u>	<u>57</u>
<u>AUDIT COMMITTEE REPORT</u>	<u>62</u>
<u>PROPOSAL NO. 2: APPROVAL AND ADOPTION OF THE FIRST AMENDED AND RESTATED BYE-LAWS</u>	<u>64</u>
<u>Background and Reasons for Bye-law Amendments</u>	<u>64</u>
<u>Amendments to the Bye-laws Reflecting Changes in Bermuda Law</u>	<u>64</u>
<u>Additional Amendments to the Bye-laws</u>	<u>65</u>
<u>PROPOSAL NO. 3: RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS</u>	<u>67</u>
<u>Independent Auditor Fee Information</u>	<u>67</u>
<u>Pre-Approval Policy of Audit and Non-Audit Services</u>	<u>68</u>
<u>PROPOSAL NO. 4: PROPOSALS CONCERNING OUR SUBSIDIARIES, ASSURED GUARANTY RE LTD, AND ASSURED GUARANTY IRELAND HOLDINGS LTD. SHAREHOLDER PROPOSALS FOR 2011 ANNUAL MEETING</u>	<u>72</u>
<u>How do I submit a proposal for inclusion in next year's proxy material?</u>	<u>72</u>

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How do I submit a proposal or make a nomination at an annual general meeting?

72

OTHER MATTERS

72

EXHIBIT A Categorical Standards for Director Independence

EXHIBIT B First Amended and Restated Bye-laws

ii

Table of Contents

ASSURED GUARANTY LTD.

30 Woodbourne Avenue
Hamilton HM 08 Bermuda
March 24, 2010

PROXY STATEMENT

INFORMATION ABOUT THE ANNUAL GENERAL MEETING AND VOTING

Why did you send me this proxy statement?

We sent you this proxy statement and the enclosed proxy card because the Board of Directors of Assured Guaranty Ltd. (which we refer to as AGL, we, us or our; we use Assured Guaranty or the Company to refer to AGL and its subsidiaries) is soliciting your proxy to vote at the 2010 Annual General Meeting, which will be held on Thursday, May 6, 2010 at 8:00 a.m. Atlantic Time at the Fairmont Hamilton Princess, 76 Pitts Bay Road, Hamilton, Bermuda. A copy of our Annual Report to shareholders for the fiscal year ended December 31, 2009 accompanies this proxy statement.

This proxy statement summarizes the information you need to vote at the Annual General Meeting. You do not need to attend the Annual General Meeting to vote your shares. You may simply complete, sign and return the enclosed proxy card or vote by telephone or over the Internet.

We will begin mailing this proxy statement on or about April 6, 2010 to all shareholders entitled to vote.

What proposals will be voted on at the Annual General Meeting?

There are four proposals scheduled to be voted on at the Annual General Meeting:

The election of three Class III directors.

The approval and adoption of the First Amended and Restated Bye-laws of AGL, which we refer to as the Amended Bye-laws.

The ratification of the selection of PricewaterhouseCoopers LLP, an independent registered public accounting firm, which we refer to as PwC, as our independent auditors for 2010.

Directing AGL to vote for the election of the directors of, and the ratification of the appointment of the independent auditors for, our subsidiary Assured Guaranty Re Ltd., which we refer to as AG Re and for the ratification of the appointment of the independent auditors for our subsidiary, Assured Guaranty Ireland Holdings Ltd., which we refer to as AG Ireland.

AGL's Board recommends that you vote your shares "FOR" each of the nominees to the Board, "FOR" the approval of the Amended Bye-laws, "FOR" the appointment of the selection of PwC as our independent auditors for 2010 and "FOR" directing AGL to vote for the election of the directors of, and the ratification of the appointment of independent auditors for, our subsidiary, AG Re and for the ratification of the appointment of the independent auditors for our subsidiary, AG Ireland.

Table of Contents

Are proxy materials available on the Internet?

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting To Be Held on Thursday May 6, 2010

Yes. Our proxy statement for the 2010 Annual General Meeting, form of proxy card and 2009 Annual Report are available at <http://www.assuredguaranty.com/annualmeeting.html>.

Who is entitled to vote?

March 16, 2010 is the record date for the Annual General Meeting. If you owned our common shares at the close of business on March 16, 2010, you are entitled to vote. On that date, we had _____ of our common shares outstanding and entitled to vote at the Annual General Meeting, including _____ unvested restricted common shares. Our common shares are our only class of voting stock. The closing price of our common shares on March 16, 2010 was \$ _____.

How many votes do I have?

You have one vote for each of our common shares that you owned at the close of business on March 16, 2010. However, if your shares are considered "controlled shares," which our Bye-laws define generally to include all of our common shares directly, indirectly or constructively owned or beneficially owned by any person or group of persons, owned by any "United States person," as defined in the U.S. Internal Revenue Code of 1986, as amended, which we refer to in this proxy statement as the "Internal Revenue Code," and such shares constitute 9.5% or more of our issued common shares, the voting rights with respect to your controlled shares will be limited, in the aggregate, to a voting power of approximately 9.5%, pursuant to a formula specified in our Bye-Laws.

The proxy card indicates the number of common shares you are entitled to vote, without giving effect to the controlled share rule described above.

What is the difference between holding shares as a shareholder of record and as a beneficial owner?

Many of our shareholders hold their shares through a stockbroker, bank or other nominee rather than directly in their own name. As summarized below, there are some differences between shares held of record and those owned beneficially.

Shareholder of Record

If your shares are registered directly in your name with our transfer agent, BNY Mellon Shareowner Services, you are considered, with respect to those shares, the shareholder of record and these proxy materials are being sent to you directly. As the shareholder of record, you have the right to grant your voting proxy directly to AGL or to vote in person at the Annual General Meeting. We have enclosed a proxy card if you vote by mail or to refer to if you vote by telephone or on the Internet. You may also vote by telephone or on the Internet as described below under the heading "Information About the Annual General Meeting and Voting May I vote by telephone or via the Internet?"

Beneficial Owner

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in "street name" and our proxy materials are being forwarded to you by your broker or nominee who is considered, with respect to those shares, the shareholder of record. As the beneficial owner, you have the right to direct your broker or nominee on how to vote your shares and are also invited to attend the Annual General Meeting. However, since you are not the shareholder of record, you may only vote these shares in person at the Annual General Meeting if you follow the instructions described below under the heading "Information About the

Table of Contents

Annual General Meeting and Voting How do I vote in person at the Annual General Meeting?" Your broker or nominee has provided a voting instruction card for you to use in directing your broker or nominee as to how to vote your shares. You may also vote by telephone or on the Internet as described below under the heading "Information About the Annual General Meeting and Voting May I vote by telephone or via the Internet?"

How do I vote by proxy if I am a shareholder of record?

If you are a shareholder of record and you properly fill in your proxy card and it is received by us in time to vote, your "proxy" (one of the individuals named on your proxy card) will vote your shares as you have directed. If you sign the proxy card but do not make specific choices, your proxy will vote your shares as recommended by the Board:

"FOR" the election of three Class III directors.

"FOR" the approval and adoption of the Amended Bye-laws.

"FOR" the ratification of PwC as our independent auditors for 2010.

"FOR" directing AGL to vote for the election of directors of, and the ratification of the appointment of independent auditors for, our subsidiary, AG Re and for the ratification of independent auditors for our subsidiary, AG Ireland.

If any other matter is presented, your proxy will vote in accordance with the best judgment of the individuals named on your proxy card. As of the date of printing this proxy statement, we knew of no matters that needed to be acted on at the Annual General Meeting, other than those discussed in this proxy statement.

How do I give voting instructions if I am a beneficial holder?

If you are a beneficial owner of shares, the broker will ask you how you want your shares to be voted. If you give the broker instructions, the broker will vote your shares as you direct. If your broker does not receive instructions from you about how your shares are to be voted, one of two things can happen, depending on the type of proposal. Pursuant to rules of the New York Stock Exchange, which we refer to as the NYSE, brokers have discretionary power to vote your shares with respect to "routine" matters, but they do not have discretionary power to vote your shares on "non-routine" matters. Unlike in previous years, brokers holding shares beneficially owned by their clients will no longer have the ability to cast votes with respect to the election of directors unless they have received instructions from the beneficial owner of the shares. **It is therefore important that you provide instructions to your broker if your shares are beneficially held by a broker so that your vote with respect to directors, and any other matter treated as non-routine by the NYSE, is counted.**

May I vote by telephone or via the Internet?

Yes. Instead of submitting your vote by mail on the enclosed proxy card, you may be able to vote by telephone or via the Internet. We encourage you to do so because your vote is then tabulated faster than if you mailed it. Please note that there are separate telephone and Internet arrangements depending on whether you are a shareholder of record (that is, if you hold your stock in your own name), or whether you are a beneficial owner and hold your shares in "street name" (that is, if your stock is held in the name of your broker or bank).

If you are a shareholder of record, you may vote by telephone, or electronically through the Internet, by following the instructions provided on your proxy card.

Table of Contents

If you are a beneficial owner and hold your shares in "street name," you may need to contact your bank or broker to determine whether you will be able to vote by telephone or electronically through the Internet.

The telephone and Internet voting procedures are designed to authenticate shareholders' identities, to allow shareholders to give their voting instructions and to confirm that shareholders' instructions have been recorded properly. If you vote via the Internet, you may incur costs, such as usage charges from Internet access providers and telephone companies. You will be responsible for those costs.

Whether or not you plan to attend the Annual General Meeting, we urge you to vote. Returning the proxy card or voting by telephone or over the Internet will not affect your right to attend the Annual General Meeting and vote.

May I revoke my proxy?

Yes. If you change your mind after you vote, you may revoke your proxy by following any of the procedures described below. To revoke your proxy:

Send in another signed proxy with a later date or resubmit your vote by telephone or the Internet,

Send a letter revoking your proxy to AGL's Secretary at 30 Woodbourne Avenue, Hamilton HM 08, Bermuda, or

Attend the Annual General Meeting and vote in person.

If you wish to revoke your proxy, you must do so in sufficient time to permit the necessary examination and tabulation of the subsequent proxy or revocation before the vote is taken.

How do I vote in person at the Annual General Meeting?

You may vote shares held directly in your name as the shareholder of record in person at the Annual General Meeting. If you choose to vote your shares in person at the Annual General Meeting, please bring the enclosed proxy card or proof of identification. Shares held in "street name" may be voted in person by you only if you obtain a signed proxy from the shareholder of record giving you the right to vote the shares. If your shares are held in the name of your broker, bank or other nominee, you must bring to the Annual General Meeting an account statement or letter from the broker, bank or other nominee indicating that you are the owner of the shares and a signed proxy from the shareholder of record giving you the right to vote the shares. The account statement or letter must show that you were beneficial owner of the shares on March 16, 2010.

Even if you plan to attend the Annual General Meeting, AGL recommends that you vote your shares in advance as described above so that your vote will be counted if you later decide not to attend the Annual General Meeting.

You can obtain directions to attend the 2010 Annual General Meeting by contacting Natasha Medeiros at 441-279-5705 or at nmedeiros@assuredguaranty.bm.

What votes need to be present to hold the Annual General Meeting?

To have a quorum for our Annual General Meeting, two or more persons must be present, in person or by proxy, representing more than 50% of the common shares that were outstanding on March 16, 2010.

Table of Contents

What vote is required to approve each proposal?

The affirmative vote of a majority of the votes cast on such proposal at the Annual General Meeting is required for each of:

The election of each nominee for Class III director,

The approval of the Amended Bye-laws,

The ratification of the selection of PwC as independent auditors for 2010, and

Directing AGL to vote for the election of directors of, and the ratification of the appointment of independent auditors for, our subsidiary, AG Re and for the ratification of the independent auditors for our subsidiary, AG Ireland.

How are votes counted?

In the election of AGL directors, your vote may be cast "FOR" all of the nominees or your vote may be "WITHHELD" with respect to one or more of the nominees. Your vote may be cast "FOR" or "AGAINST" or you may "ABSTAIN" with respect to the approval of the Amended Bye-laws, and the ratification of AGL's independent auditors. With respect to directing AGL to vote for the election of directors of our subsidiary, AG Re, your vote may be cast "FOR" all of the nominees or your vote may be "WITHHELD" with respect to one or more of the nominees. With respect to directing AGL to vote for the ratification of AG Re's or AG Ireland's independent auditors, your vote may be cast "FOR" or "AGAINST" or you may "ABSTAIN." If you sign your proxy card with no further instructions, your shares will be voted in accordance with the recommendations of the Board. If you sign your broker voting instruction card with no further instructions, your shares will be voted in the broker's discretion with respect to routine matters but will not be voted with respect to non-routine matters. As described in "How do I give voting instructions if I am a beneficial holder?", election of directors is now considered a non-routine matter. We will appoint one or more inspectors of election to count votes cast in person or by proxy.

What is the effect of broker non-votes and abstentions?

A broker "non-vote" occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner.

Common shares owned by shareholders electing to abstain from voting with respect to any proposal will be counted towards the presence of a quorum. Common shares that are beneficially owned and are voted by the beneficiary through a broker will be counted towards the presence of a quorum, even if there are broker non-votes with respect to some proposals, as long as the broker votes on at least one proposal. Abstentions and broker non-votes will not be considered present and voting with respect to elections of directors or other matters to be voted upon at the Annual General Meeting. Therefore, abstentions and "broker non-votes" will have no direct effect on the outcome of the proposals to elect directors, to approve the Amended Bye-laws, to ratify the appointment of AGL's independent accountants or to approve the subsidiary matters.

Are there any voting agreements with respect to our common shares?

The funds affiliated with Wilbur L. Ross, Jr., one of our directors, have each agreed that they will vote all common shares of AGL owned by them solely in proportion with the votes cast by holders of AGL's common shares on any matter put before them.

The funds affiliated with Mr. Ross have each agreed to be subject to the 9.5% voting limitation described in "How many votes do I have?"

Table of Contents

What are the costs of soliciting these proxies and who will pay them?

AGL will pay all the costs of soliciting these proxies. Our directors and employees may also solicit proxies by telephone, by fax or other electronic means of communication, or in person. We will reimburse banks, brokers, nominees and other fiduciaries for the expenses they incur in forwarding the proxy materials to you. Georgeson Inc. is assisting us with the solicitation of proxies for a fee of \$6,500 plus out-of-pocket expenses.

Where can I find the voting results?

We will publish the voting results in a Form 8-K that we will file with the Securities and Exchange Commission, which we refer to as the SEC, by May 12, 2010. You can find the Form 8-K on our website at www.assuredguaranty.com.

Will AGL's independent accountants attend the Annual General Meeting?

PwC will attend the Annual General Meeting and will have an opportunity to make a statement if they wish. They will also be available to answer questions at the meeting.

Do directors attend the Annual General Meeting?

Our Corporate Governance Guidelines provide that directors are expected to attend our annual meeting of shareholders and any special meeting of shareholders called by AGL to consider extraordinary business transactions, unless they are unable to do so as a result of special circumstances; directors are encouraged to attend all other special meetings of shareholders called by AGL. All but one of our directors then in office attended the Annual General Meeting that was held on May 7, 2009.

Can a shareholder communicate directly with our Board? If so, how?

Our Board provides a process for shareholders, employees or other interested parties to send communications to our Board. Shareholders, employees or other interested parties wanting to contact the Board concerning accounting or auditing matters may send an e-mail to the Chairman of the Audit Committee at chmaudit@assuredguaranty.com. Shareholders, employees or other interested parties wanting to contact the Board, the independent directors, the Chairman of the Board, the chairman of any Board committee or any other director, as to other matters may send an e-mail to corpsecy@assuredguaranty.com. The Secretary has access to both of these e-mail addresses. Alternatively, shareholders, employees or other interested parties may send written communications to the Board c/o Secretary, 30 Woodbourne Avenue, Hamilton HM 08, Bermuda, although mail to Bermuda is not as prompt as e-mail. Communication with the Board may be anonymous. The Secretary will forward all communications to the Board to the Chairman of the Audit Committee or the Chairman of the Nominating and Governance Committee, who will determine when it is appropriate to distribute such communications to other members of the Board or to management.

Whom should I call if I have any questions?

If you have any questions about the Annual General Meeting or voting, please contact James M. Michener, our Secretary, at 441-279-5702 or at jmichener@assuredguaranty.com. If you have any questions about your ownership of AGL common shares, please contact Sabra Purtill, our Managing Director, Investor Relations, at 441-279-5700 or 212-408-6044 or at spurtill@assuredguaranty.com.

Table of Contents

CORPORATE GOVERNANCE

Overview

In General

Our Board of Directors has maintained corporate governance policies since becoming a public company following our 2004 initial public offering, which we refer to as our IPO. We have reviewed internally and with the Board the provisions of the Sarbanes-Oxley Act of 2002, the rules of the SEC and the NYSE's listing standards regarding corporate governance policies and processes and are in compliance with the rules and listing standards. We have adopted Corporate Governance Guidelines covering issues such as executive sessions of the Board of Directors, director qualification standards, including independence, director responsibilities and Board self-evaluations. Our Corporate Governance Guidelines contains our Categorical Standards for Director Independence. We have also adopted a Code of Conduct for our employees and directors and charters for each of our Compensation Committee, Audit Committee, Nominating and Governance Committee, Finance Committee and Risk Oversight Committee. The full text of our Corporate Governance Guidelines, our Code of Conduct and each committee charter, are available on our website located at www.assuredguaranty.com and you can view and print these documents by accessing our website, then clicking on "Investor Information," followed by "Corporate Governance." In addition, you may request copies of the Corporate Governance Guidelines, the Code of Conduct, Categorical Standards for Director Independence and the committee charters by contacting our Secretary via:

Telephone 441-279-5702
Facsimile 441-279-5701
e-mail jmichener@assuredguaranty.com

Independent Director Meetings

The independent directors meet at regularly scheduled executive sessions without the participation of management or any director who is not independent and our non-management directors meet periodically at executive sessions without the participation of management. The Chairman of the Board is the presiding director for executive sessions of independent directors.

Other Corporate Governance Highlights

Our Board has a substantial majority of non-management, independent directors.

Only non-management, independent directors may serve on our Audit, Compensation and Nominating and Governance Committees and currently only non-management directors serve on our Finance and Risk Oversight Committees.

Table of Contents

Our Audit Committee hires, determines the compensation of and decides the scope of services performed by our independent auditors. It also has the authority to retain outside advisors.

No member of our Audit Committee simultaneously serves on the audit committees of more than two public companies.

Our Compensation Committee has the authority to retain independent consultants and has engaged Frederic W. Cook & Co., Inc., which we refer to as Cook, to assist it. Our Compensation Committee evaluates the performance of the Chief Executive Officer, whom we refer to as our CEO, based on corporate goals and objectives and, with the other independent directors, sets his compensation based on this evaluation.

We have adopted a Code of Conduct applicable to all directors, officers and employees that sets forth basic principles to guide their day-to-day activities. The Code of Conduct addresses, among other things, conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of company assets, compliance with laws and regulations, including insider trading laws, and reporting illegal or unethical behavior.

In addition to AGL's quarterly Board meetings that last approximately two days each, our Board has an annual business review meeting to assess specific areas of the Company's operations and to learn about general trends affecting the financial guaranty industry. We also provide our directors with the opportunity to attend continuing education programs.

The Board of Directors

Our Board oversees our business and monitors the performance of management. The directors keep themselves up-to-date on the Company by discussing matters with the CEO, other key executives and our principal external advisors, such as outside legal counsel, outside auditors, investment bankers and other consultants, by reading the reports and other materials that we send them regularly and by participating in Board and committee meetings.

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The Board usually meets four times per year in regularly scheduled meetings, but will meet more often if necessary. The Board met four times during 2009 plus attended our annual business review meeting. From time to time, the Board has telephone information sessions on various topics. All of our incumbent directors, except for Mr. Ross, attended at least 75% of the aggregate number of meetings of the Board of Directors and committees of the Board of which they were a member held while they were in office during the year ended December 31, 2009.

Mr. Ross became a director of AGL in May 2008 in connection with the purchase by investment funds affiliated with him of AGL common shares that resulted in proceeds to the Company of \$250 million. In November 2008, investment funds affiliated with Mr. Ross also agreed to provide a \$361 million backstop commitment in connection with funding the Company's acquisition of Financial Security Assurance Holdings Ltd., which is now named AGM Holdings Inc. and which we refer to as

Table of Contents

AGMH. Because AGL was able to complete an equity offering in June 2009, the funds affiliated with Mr. Ross were not required to provide financing pursuant to the backstop commitment; however, these funds did purchase 3,850,000 common shares in that public offering. Also in 2009, Mr. Ross was instrumental in assisting the Company in entering into an agreement to provide mortgage securities analytical services to Invesco Institutional (N.A.), Inc., an organization affiliated with Mr. Ross, which we refer to as Invesco. Although Mr. Ross had scheduling conflicts from his other business interests that prevented him from attending many of AGL's Board of Directors meetings, Mr. Ross has made his expertise available to the Company outside of Board meetings, in addition to providing material financing assistance to the Company. In cases of Board meetings where Mr. Ross was unable physically to attend the meeting, he had extensive discussions about the subject matter of each meeting with management and other Board members. Consequently his views on all topics were made clear to all other directors as well as management. In addition, Mr. Ross frequently met with members of management, outside the context of Board meetings, and spent extensive time in connection with the Company's acquisition of AGMH and with ratings agency matters affecting the Company. The Board of Directors considers the service of Mr. Ross on the Board to be beneficial to the Company despite time constraints he experienced in connection with his other business responsibilities. Mr. Ross makes significant contributions to the governance of the Company outside of formal Board meetings. The skill, capability and knowledge that he possesses makes him valuable to our Board of Directors and management.

Director independence

In February 2010, our Board determined that the following directors are independent under the listing standards of the NYSE: Neil Baron, Francisco L. Borges, G. Lawrence Buhl, Stephen A. Cozen, Patrick W. Kenny, Donald H. Layton, Robin Monro-Davies, Michael T. O'Kane and Walter A. Scott. These independent directors constitute substantially more than a majority of AGL's Board of Directors. In making its determination of independence, the Board applied its Categorical Standards for Director Independence and determined that no other material relationships existed between the Company and these directors. In particular, the Board determined that the amounts paid to Cozen O'Connor Federal Political Strategies, which is majority owned by a law firm of which our director, Stephen Cozen, is Chairman and a shareholder (discussed under "What related person transactions do we have Stephen A. Cozen"), were insufficient to constitute a material relationship between the Company and Mr. Cozen. A copy of our Categorical Standards for Director Independence is attached as Exhibit A to this proxy statement and is also available as part of our Corporate Governance Guidelines by accessing our website at www.assuredguaranty.com, then clicking on "Investor Information," followed by "Corporate Governance." The Board also considered the other directorships held by the independent directors and determined that none of these directorships constituted a material relationship with the Company.

The committees of the Board

The Board of Directors has established an Audit Committee, a Compensation Committee, a Nominating and Governance Committee, a Finance Committee and a Risk Oversight Committee.

The Audit Committee

The Audit Committee provides oversight of the integrity of the Company's financial statements and financial reporting process, the Company's compliance with legal and regulatory requirements, the system of internal controls, the audit process, the performance of the Company's internal audit program and the performance, qualification and independence of the independent accountants.

Table of Contents

The Audit Committee is composed entirely of directors who are independent of the Company and its management, as defined by the NYSE listing standards.

The Board has determined that each member of the Audit Committee satisfies the financial literacy requirements of the NYSE and that Messrs. Buhl, Borges and O'Kane are each audit committee financial experts, as that term is defined under Item 401(h) of the SEC's Regulation S-K. For additional information about the qualifications of the Audit Committee members, see their respective biographies set forth in "Proposal No. 1: Election Of Directors." The Audit Committee is comprised of G. Lawrence Buhl (Chairman), Neil Baron, Francisco L. Borges and Michael T. O'Kane.

The Audit Committee held five meetings during 2009. In addition, the Audit Committee had an informational session on a specialized accounting topic.

The Compensation Committee

The Compensation Committee has responsibility for evaluating the performance of the CEO and senior management and determining executive compensation in conjunction with the independent directors. The Compensation Committee also works with the Nominating and Governance Committee and the CEO on succession planning.

The Compensation Committee is composed entirely of directors who are independent of the Company and its management, as defined by the NYSE listing standards.

The Compensation Committee is comprised of Patrick W. Kenny (Chairman), Stephen A. Cozen and Donald H. Layton.

The Compensation Committee held four meetings during 2009. The Compensation Committee also met with Cook to review executive compensation trends and peer group compensation data.

The Nominating and Governance Committee

The responsibilities of the Nominating and Governance Committee include identifying i