

# Medmarc Insurance Group Code of Conduct

The Medmarc Insurance Group (“Medmarc”), which includes Medmarc Mutual Insurance Company and its subsidiaries, Medmarc Casualty Insurance Company, Noetic Specialty Insurance Company, and Hamilton Resources Corporation, is committed to the highest standards of business ethics and integrity. Medmarc places the utmost importance on compliance with the laws and regulations that govern its business.

Medmarc adopted the Code of Conduct (the “Code”) to further its commitment to these standards and promote ethical and legal behavior in its workplace. The Code underscores Medmarc’s expectation that its employees will conduct business in a manner that is ethical, lawful, and consistent with Medmarc policies, practices, and directives.

## Business Conduct

### Improper Payments

Medmarc prohibits giving, accepting, or soliciting bribes, payoffs, kickbacks, or other benefits that may improperly influence business. Offering or accepting a gift or gratuity in exchange for favorable treatment or to secure business is illegal and can subject an employee—in his or her personal capacity—and Medmarc to criminal prosecution.

### Gifts, Entertainment, and Meals

As part of normal business courtesy, it is common for modest gifts, favors, or gratuities to be offered by or to customers, vendors, and other persons or organizations doing business with Medmarc. When accepting or offering a nominal gift or other special consideration, Medmarc employees should always use good judgment and discretion to avoid even the appearance of impropriety.

#### *Accepting Gifts, Entertainment, and Meals*

In addition to the Code, when accepting gifts, entertainment, and meals, Medmarc employees are required to comply with the Medmarc Gift Policy and Hamilton Resources Corporation Travel and Entertainment Expenses Policy.

Pursuant to the Medmarc Gift Policy, annual gifts of food or merchandise from vendors (typically received during the last two months of the year) are distributed equitably among employees. At other times, employees may accept a gift only when the gift is consistent with normal and accepted business practices.

Medmarc employees may accept entertainment and meals only when they are provided within the normal course of business.

Additionally, no employee may accept a gift or other gratuity, including entertainment and meals, from a customer, vendor, or other person or organization doing business with Medmarc, unless the following criteria are met:

- The gift or gratuity is reasonable and appropriate for the occasion.
- Acceptance of a gift or gratuity by an employee must not affect his or her impartial judgment or sense of obligation to Medmarc.
- Acceptance of a gift or gratuity by an employee must not compromise his or her ability to act in the best interests of Medmarc.
- The gift or gratuity cannot, under the surrounding circumstances, be construed as a bribe, payoff, or kickback.
- The gift or gratuity is not cash or cash equivalents, such as a traveler's check or gift certificate that is redeemable for cash.

If an employee is uncertain about the propriety of accepting a gift, he or she should consult the Ethics Officer, who will decide whether the gift is reasonable and not excessive.

#### *Providing Gifts, Entertainment, and Meals*

A gift or other gratuity, including entertainment and meals, may not be provided by or on behalf of Medmarc to a member, supplier, or other person or organization doing business with Medmarc, unless the following criteria are met:

- The gift or gratuity is consistent with normal and accepted business practices.
- The gift or gratuity is reasonable and appropriate for the occasion.
- Offering the gift or gratuity does not violate the laws of the United States or other jurisdictions in which Medmarc does business.
- Except for charitable contributions, the total value of the gift or gratuity is customary and not excessive in the context of normal business practices.
- The gift or gratuity cannot, under the surrounding circumstances, be construed as a bribe, payoff, or kickback.
- Except for charitable contributions, the gift or gratuity is not cash or cash equivalents, such as a traveler's check or gift certificate that is redeemable for cash.
- The circumstances under which entertainment and meals are provided comply with the Hamilton Resources Corporation Travel and Entertainment Expenses Policy.

## **Political Contributions and Activities**

No corporate funds or other assets may be contributed, directly or indirectly, to a political party, candidate, incumbent, or organization, except when contributed lawfully and with the approval of the Ethics Officer and Board of Directors.

No political contributions by individual employees may be made in the name of Medmarc or reimbursed by Medmarc, directly or indirectly. Employees may participate in the political process on their own time and at their own expense and must conduct their activities in a manner that does not give others the impression that they are speaking or acting on behalf of Medmarc.

An employee's status at Medmarc will not be jeopardized because of his or her participation, or decision not to participate, in lawful political activities.

## **Interaction with Insurance Producers and Commissions Payments**

Employees interacting with insurance producers may not engage in any improper solicitation activity. An improper solicitation activity occurs when an insurance producer:

- seeks, requests, or obtains any quote that is:
  - intentionally higher, changed, or revised upward or otherwise intentionally less favorable to the current or prospective insured than those quotes provided by other companies;
  - designed or intended not to be selected by the current or prospective insured; and
  - designed or intended to present to the current or prospective insured a false appearance of competition by insurance companies; or
- limits the receipt of presentation or insurance quotes sought on behalf of a current or prospective insured in a manner contrary to the interests of the current or prospective insured; or
- engages in activity that may be known as or understood to be “bid rigging” or inappropriate steering of business, which is contrary to the interests of the current or prospective insured.

Employees who are asked by an insurance producer to engage in an improper solicitation activity or have reason to believe that an insurance producer is engaging in improper solicitation activities with any insurer must immediately bring the information to the attention of the Ethics Officer.

Commissions paid to insurance producers may be paid only in accordance with Medmarc's established commissions plans or agreements.

## **Business Consultants and Other Outside Consultants**

Payments to business consultants, including but not limited to financial, legal, information technology consultants or similarly situated individuals or organizations, doing business with Medmarc on a consulting basis must be limited to reasonable compensation for services rendered, plus reimbursement for legitimate expenses incurred. Contracts entered into with such parties must disclose the fees to be paid and the services to be rendered. Medmarc may not engage any party or be engaged by any party to conduct business in a manner that would conflict with any provision of the Code or that would be considered unlawful.

## **Fair and Ethical Competition**

Activities that artificially restrain a competitive market are contrary to Medmarc's philosophy of business and violate federal anti-trust laws. Medmarc values its reputation in the marketplace as an organization that competes fairly. To help maintain Medmarc's integrity, all employees must comply with applicable federal and state laws that prohibit unfair or deceptive business acts and practices, including those laws that prohibit unfair competition and price fixing. Employees must not solicit or obtain confidential information about a competitor in a manner that is illegal or would violate a contractual agreement, such as a confidentiality agreement.

Medmarc sells its products and services on their merits. The information about Medmarc or its products that employees provide to current or potential policyholders, agents, brokers, consultants, professionals or other parties doing business with Medmarc must be truthful and accurate. Medmarc employees, representatives, and agents should not disparage competitors or their products and services. It is acceptable for Medmarc's employees to make comparisons between Medmarc and its competitors when such comparisons are reasonable and made within the normal course of business.

## **Dishonesty**

No employee shall commit or contribute to acts of dishonesty against Medmarc or Medmarc's partners, agents, or policyholders. Dishonest acts include, but are not limited to, fraud, theft, embezzlement, or misappropriation of corporate assets.

## **Accounting Procedures and Corporate Records**

All transactions must be recorded properly in Medmarc's books and records. Corporate funds may not be paid with the intent or understanding that any part of such payment is to be used for a purpose other than that described by the documents supporting such payment. No unrecorded bank accounts, corporate funds, or assets may be maintained. Entries made in any corporate books or records must be accurate and comply with Medmarc's policies and procedures. Information provided to persons performing audits or preparing regulatory reports or financial statements must be accurate and complete.

All company documents and records, including electronic information, such as computer files and electronic mail, are the property of Medmarc. When disposing of documents or records, employees are required to comply with corporate policy, as well as state and federal laws. Employees must retain and discard documents and records in accordance with any corporate document retention policies. Employees must discard electronic mail in accordance with any

corporate electronic mail retention and/or account maintenance policies. However, all documents and records, including electronic mail, relevant to pending litigation, government or internal investigations, or audits shall not be altered or destroyed. Destruction or alteration of documents or records to avoid disclosure in a legal proceeding, government investigation, or audit may constitute a criminal offense.

### **Employee and Corporate Reimbursements**

Medmarc stresses adequate and fair compensation for its employees and provides reimbursement for legitimate business and travel expenses. Accordingly, Medmarc will reimburse employees for ordinary and customary business expenses. To be eligible for reimbursement, an expenditure must meet the qualifications set forth in the Hamilton Resources Corporation's Travel and Entertainment Expenses Policy.

Occasionally, Medmarc employees are invited to participate in business activities that are sponsored or hosted by other businesses or organizations. An employee who participates in such an activity may not accept compensation from another business or organization for his or her participation if the employee is acting in his or her capacity as an employee of Medmarc and/or the employee prepares for or participates in the activity on Medmarc time or using Medmarc resources. In such instances, the employee must tender to Medmarc any honorarium or compensation received in consideration for those activities. Alternatively, the employee may retain the honorarium or compensation if he or she participates in the activity or event on his or her own time, subject to Medmarc's leave policies. The Ethics Officer may grant certain limited exceptions to this policy provided that the retention of the honorarium or compensation is accepted business practice, is pertinent to the employee's position, and is reasonable and customary.

### **Use of Intellectual Property**

Any and all innovations created by a Medmarc employee in his or her capacity as such become the exclusive property of Medmarc and cannot be used for any other purpose without express prior written consent. These innovations are generally considered "intellectual property," which belong exclusively to Medmarc, and include, but are not limited to the following examples:

- Innovations in products or services, whether implemented during the employee's tenure with Medmarc or subsequent to the employee's departure from Medmarc;
- All forms of expression prepared by employees of Medmarc in the course of employment, including those committed to paper, electronic mail, facsimile transmissions, computer memory, audio, video, or other tangible medium;
- Any work product of an employee created or developed in the course of employment that qualifies for patent protection or copyright;
- Business information such as computer software programs, manuals, handbooks, documentation, customer lists or databases, client profiles or marketing strategies and plans; and

- All names, trademarks, servicemarks, product names, program names, and other forms of identification used by Medmarc.

## **Communication Systems**

Employees are responsible for complying with Medmarc's electronic mail and internet policies. Medmarc reserves the right to monitor the use of the internet, telephone, and electronic mail.

## **Confidential Information**

### *Confidential Information about Medmarc*

No employee may disclose, or use for personal gain, confidential information related to Medmarc. Confidential information is any information not generally known about Medmarc's business, such as unpublished financial data, marketing, financial, or other plans, customer or vendor lists, premiums reports, rating information, or other proprietary data. Medmarc employees must ensure that confidential information is used only for business purposes. An employee who uses confidential information for personal benefit, or who discloses confidential information to persons other than authorized Medmarc employees, violates this policy.

### *Confidential Information about Policyholders*

Employees in the ordinary course of business may become aware of confidential information about companies that are current, prospective, or former policyholders. Accordingly, Medmarc enforces a policy of confidentiality of any non-public information or knowledge within its possession and/or information provided to it subject to a formal confidentiality agreement. Only those employees with a work-related need may access such information. The primary purpose of non-disclosure is to inhibit or totally preclude the deliberate, inadvertent, or unauthorized personal use of such information or dissemination to persons or organizations that could use such information for their own account, including the media or competitors.

### *Confidential Information about Employees*

Confidential information about Medmarc employees must not be revealed to anyone, including other Medmarc personnel, except when necessary for business purposes. Confidential information includes, but is not limited to, wage and salary data, employment agreements, social security numbers, performance reviews and related documents, financial or banking information, and medical information.

## **Licensing Requirements**

Medmarc employees in positions for which professional, regulatory, or government-issued licenses are required must keep their licenses current and in good standing. Employees must inform their supervisors immediately if their licenses are revoked, suspended, or otherwise restricted.

## **Compliance with Laws**

It is Medmarc's policy to comply with the laws of all jurisdictions in which Medmarc does business. Employees must conduct business in a manner that complies with the laws and regulations that apply to the sale of insurance, including antitrust and tax laws.

## **Cooperation with Investigations**

Medmarc may be asked to cooperate with government investigations, such as audits or official requests for information. An enforcement agency, such as the Federal Bureau of Investigation or Department of Justice, or a state regulatory agency can contact employees directly or on an individual basis to obtain information about Medmarc. If employees are contacted by government investigators and asked to discuss activities in connection with their employment, Medmarc requests that employees notify the Ethics Officer of the investigation. Employees will neither be rewarded, nor disciplined for cooperating with such investigations. If an employee chooses to speak with government investigators, the information he or she provides must be truthful and accurate. Providing false information to government investigators can subject the employee—in his or her personal capacity—and Medmarc to criminal prosecution. While employees are free to cooperate with government investigators, employees may not provide company documents in response to government requests for information without first obtaining authorization from Medmarc.

From time to time Medmarc may initiate internal investigations. Under these circumstances, employees will be notified of their responsibilities and duties and are expected to cooperate fully. Failure to cooperate with internal investigations may result in disciplinary action, including termination.

## **Workplace Conduct**

### **Anti-Discrimination and Anti-Harassment**

Medmarc is committed to an environment free from all forms of discrimination and harassment.

Medmarc hires, pays, promotes, and makes other employment decisions based on lawful factors, such as qualifications and performance, and without regard to race, sex, color, religion, age, national origin, disability, or any other basis that is protected under applicable law.

Medmarc does not tolerate harassment, which includes offensive comments based upon the diverse characteristics or cultural backgrounds of Medmarc employees, degrading or humiliating jokes, and slurs or intimidation of any form. Medmarc does not tolerate sexual harassment, which includes unwelcome sexual advances, requests for sexual favors in connection with job decisions, and verbal or physical conduct of a sexual nature that interferes with an employee's job performance or creates an intimidating, hostile, or offensive environment. Employees who act in a discriminatory or harassing manner are in violation of the Code.

### **Violence**

Medmarc does not tolerate violence or threats of violence in its workplace. Violence can include intentionally damaging Medmarc property or the property of others, acting or threatening to act in

a manner that is intended to intimidate or frighten others, and behaving in a manner that causes others to feel unsafe in the workplace.

Employees are prohibited from bringing to the workplace, or having in their possession while on the Medmarc premises, firearms, weapons, explosive devices, or other dangerous materials.

### **Alcohol and Drugs**

Medmarc prohibits the use, sale, purchase, transfer, and possession of alcohol and illegal drugs by employees on the Medmarc premises, except when alcohol is served as part of an authorized Medmarc function. Furthermore, no person shall report to work under the influence of alcohol or illegal drugs. If alcohol or illegal drug use is suspected, Medmarc reserves the right to search any property that is located on the premises and/or require the employee to be tested for alcohol or illegal drug use.

### **Conflict of Interest**

Employees of Medmarc must handle their responsibilities in a manner that furthers Medmarc's interests. Medmarc expects its employees to avoid relationships or activities that conflict, or appear to conflict, with Medmarc's interests.

Compliance with this standard requires full disclosure on the part of all employees. On an annual basis, Medmarc employees will be asked to sign a Related Party Action Questionnaire. Yet, it is the responsibility of each employee to disclose any conflict of interest or potential conflict of interest as soon as it becomes known to him or her.

### **Business Relationships and Investments**

An employee must disclose to the Ethics Officer any financial or business relationship that he or she has with a company that currently or prospectively does business with Medmarc. For example, an employee is obligated to disclose any relationship that he or she has with a supplier, landlord, tenant, or merger/acquisition candidate. Likewise, an employee must disclose to the Ethics Officer any financial or business relationship that he or she has with a company that competes with Medmarc, if such relationship could create a conflict of interest. The Ethics Officer will determine whether a conflict of interest exists. The financial or business interests of an employee's immediate family members are deemed to be the financial interests of the employee. An "immediate family member" is the employee's spouse, sibling, parent, child, daughter-in-law, son-in-law, step-child, or the parent of the employee's spouse.

Under no circumstances may employees use information about policyholders to advance their personal interests. Medmarc personnel are prohibited from using proprietary information about Medmarc policyholders, or their products, when making financial investments. Accordingly, Medmarc prohibits its employees from purchasing stock or otherwise investing in corporations that are insured by Medmarc, except when such stock is purchased as part of a fund managed by a third-party administrator, such as a mutual fund.

## **Outside Employment**

An employee may not engage in employment outside his or her position at Medmarc if such employment provides services or assistance to a competitor or interferes with his or her obligations to Medmarc. Outside employment must never require an employee to utilize Medmarc property or facilities, involve the implicit or explicit sponsorship of Medmarc, or create the possibility of adverse publicity for Medmarc.

## **Board Memberships**

A Medmarc employee may serve on the board of directors of another company or organization provided that no conflict of interest exists or appears to exist as a result of his or her service.

## **Government Service**

Service by employees in government positions is encouraged but in some cases may present a conflict of interest. If election or appointment to such a position is anticipated, the employee must request the written approval of the Ethics Officer. An employee holding a government office should abstain from any vote or decision which involves the interest of Medmarc.

## **Acting against Medmarc's Interests**

No employee may take personal advantage of, or make available to others, any business opportunity in which it is known, or could reasonably be known, that Medmarc has, or would have, an interest. In no event may an employee deal for his or her own account in services performed by Medmarc.

## **Implementation**

Compliance with the Code is a condition of employment for every Medmarc employee. Any conduct that an employee reasonably believes may constitute a violation of the Code must be reported promptly to the Ethics Officer.

Every employee will be asked to sign an annual, written certification that he or she has reviewed the Code in its entirety and agreed to adhere to its provisions.

## **Enforcement**

Violation of the Code may result in disciplinary action, including termination of employment. Medmarc may commence legal proceedings against an employee, if such action is necessary to recover any financial loss sustained by Medmarc or when Medmarc's interests so warrant.

## **Application**

Reference to Medmarc means not only Medmarc Mutual Insurance Company but also its affiliates and subsidiaries.

This policy contains guidelines that are intended to assist employees with making decisions on behalf of Medmarc and avoiding conflicts of interest. No code of conduct can be all-inclusive, however, and responsibility for proper conduct rests with each employee. There is no substitute for personal integrity and good judgment. An employee who is faced with a difficult situation

should consider whether he or she would feel awkward or embarrassed should his or her conduct become public knowledge. If the conduct could be criticized from a legal or ethical standpoint, then it is probably incorrect. Employees are encouraged to consult with the Ethics Officer whenever questions arise about the proper course of action.