

**Compass Specialty Insurance Risk Retention Group, Inc.**

**CODE OF BUSINESS CONDUCT AND ETHICS**

**A. Scope**

This Code of Business Conduct and Ethics (“Code”) applies to all directors, officers and employees of **Compass Specialty Insurance Risk Retention Group, Inc.** Such persons are referred to herein collectively as the “Covered Parties.” **Compass Specialty Insurance Risk Retention Group, Inc.** is referred to herein as the “Company.”

All Covered Parties are expected to know, understand and comply with the policies set forth in this Code.

**B. Purpose**

Honesty and integrity are the backbone of the relationship of trust the Company has with its policyholders, vendors, service providers and governmental regulators. The purpose of this Code is to convey the basic principles of business conduct expected of all Covered Parties. The Code is general in nature and not intended to be all inclusive. The fact that a certain action or activity is not mentioned as improper does not imply that it is permissible. The important concept is that the Company is committed to the principles of integrity, trust and ethical and lawful business conduct. All of the Company’s business decisions should be evaluated in this light.

**C. Introduction**

This Code serves to (1) emphasize the Company's commitment to ethics and compliance with the law; (2) set forth basic standards of ethical and legal behavior; (3) provide reporting mechanisms for known or suspected ethical or legal violations; and (4) help prevent and detect wrongdoing.

**D. Ethical Standards**

**1. Conflicts of Interest**

A conflict of interest exists when a person’s private interest interferes in any way with the interests of the Company. A conflict can arise when a Covered Party takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest may also arise when a Covered Party, or members of his or her family, receives improper personal benefits as a result of his or her position at the Company. Loans to, or guarantees of obligations of, Covered Parties and their family members may create conflicts of interest. It is almost always a conflict of interest for a Covered Party to work simultaneously for a competitor, customer or supplier.

## **D. Ethical Standards**

### **1. Conflicts of Interest - continued**

Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with the President of the Company or, if circumstances warrant, the Company's outside counsel or captive manager.

All Covered Parties shall disclose any material transaction or relationship that reasonably could be expected to give rise to such a conflict to the Board of Directors of the Company, whether such a transaction or relationship is deemed to be a real or apparent conflict or may reasonably be expected to be perceived as such by third parties. No action may be taken with respect to such transaction or party unless and until such action has been approved by the Board.

### **2. Corporate Opportunities**

Directors and officers of the Company stand in a fiduciary relationship to the Company. It is a breach of this duty for any such person to take advantage of a business opportunity for his or her own personal profit or benefit when the opportunity is within the corporate powers of the Company and when the opportunity is of present or potential practical advantage to the Company, unless the Board of Directors knowingly elects not to avail itself of such opportunity and the director's or officer's participation is approved in advance by the Board. It is the policy of the Company that no director or officer appropriate a corporate opportunity without the consent of the Board of Directors.

### **3. Confidentiality**

Covered Parties may learn confidential Company information in the course of their jobs and use it to perform important functions. It is vitally important that all Covered Parties handle confidential information properly. There are two major concerns: (1) preventing the release of unauthorized or inappropriate information that might adversely affect the Company's business; and (2) avoiding violations of the law.

The following is not a complete list of what is considered to be confidential information, but it illustrates what is typically confidential unless it has been disclosed by the Company in an authorized formal or official public communication: financial results, budgets or forecasts; business plans, operating plans, strategy statements, operating manuals, organization charts and other internal communications; new products, processes or designs; whether a product or business is meeting financial or other expectations; business relationships or the terms of any business arrangement; names and addresses of shareholders, or any confidential personal or business information of the shareholder or any of its employees; personal information about any employee. In general, if information about the Company has not been made public by the Company, it should be treated as confidential.

Covered Parties may not disclose to unauthorized persons or use for their own personal advantage or profit, or the advantage or profit of another, any confidential information that they obtain as a result of their position with the Company. The Company is entrusted with important information about its shareholders and their employees. It is essential that all Covered Parties respect the confidential nature of this

### **3. Confidentiality – Continued**

information. The Company is legally obliged to protect the privacy of its shareholders and their employees. The obligation not to disclose the Company's confidential information and not to use it for unauthorized purposes continues after a Covered Party's service with the Company ends.

A Covered Party may be asked for information about the Company by the media, trade groups, consultants and others collecting information for various purposes. A Covered Party should not make public statements on behalf of the Company or provide confidential information in response to external inquiries unless he or she has been authorized to do so.

### **4. Fair Dealing**

The Company's products and services must be sold fairly and honestly. Covered Parties should not attempt to take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

### **5. Integrity of Records, Funds and Assets**

Accurate and reliable preparation and maintenance of Company records is of critical importance to proper management decisions and fulfillment of Company financial, legal and reporting obligations. All transactions must be properly documented and accounted for on the books and records of the Company. No off-book funds or transactions are allowed. All reports, vouchers, bills, invoices, payroll and service records, business measurement and performance records or other essential data are to be prepared and maintained with care and honesty. Covered Parties are responsible for safeguarding Company assets and properties under their control and for providing an auditable record of transactions relating to the use or disposition of such assets and property.

### **6. Compliance with Laws, Rules and Regulations**

Obedying the law, both in letter and in spirit, is the foundation on which the Company's ethical standards are built. In conducting the business of the Company, the Covered Parties shall comply with applicable governmental laws, rules and regulations at all levels of government in the United States and in any non-U.S. jurisdiction in which the Company does business. Although not all Covered Parties are expected to know the details of all of these laws, they are expected to understand and comply with all of the laws and regulations insofar as the laws and regulations relate to their Company responsibilities. Further, it is important for Covered Parties to know enough about the applicable local, state and national laws and regulations to determine when to seek advice from supervisors, managers or other appropriate personnel.

## **7. Timely and Truthful Disclosure**

In reports and documents filed with or submitted to governmental regulators by the Company, and in public communications made by the Company, the Covered Parties involved in the preparation of such reports and documents (including those who are involved in the preparation of financial or other reports and the information included in such reports and documents) shall make disclosures that are full, fair, accurate, timely and understandable. Where applicable, these Covered Parties shall provide thorough and accurate financial and accounting data for inclusion in such disclosures. They shall not knowingly conceal or falsify information, misrepresent material facts or omit material facts which are necessary to avoid misleading the Company's government regulators, independent public auditors or shareholders.

## **E. Violations of Ethical Standards.**

### **1. Reporting Known or Suspected Violations**

All Covered Parties shall promptly report any known or suspected violations of this Code to the President of the Company and to the Company's captive manager. No retaliatory action of any kind will be permitted against anyone making such a report in good faith, and the Company's Board will strictly enforce this prohibition.

### **2. Accountability for Violations**

If the Company's Board or its designee determines that this Code has been violated, either directly, by failure to report a violation, or by withholding information related to a violation, the offending Covered Party may be disciplined for non-compliance with penalties up to and including removal from office or dismissal. Such penalties may include written notices to the individual involved that a violation has been determined, censure by the Board, removal by the Board of any officer involved, and/or a request by the Board to the Company's shareholders to remove any Director so involved. Violations of this Code may also constitute violations of law and may result in criminal penalties and civil liabilities for the offending Covered Party and the Company. All Covered Parties are expected to cooperate in internal investigations of misconduct.

Adopted on 4/7/17