



## CODE OF ETHICS FOR SENIOR FINANCIAL OFFICERS

The Senior Financial Officers of Penn Millers Holding Corporation and its subsidiaries (the “Company”) shall be governed by this Code of Ethics (the “Code”), pursuant to Section 406 of the Sarbanes-Oxley Act of 2002, as amended (“SOX”), and perform their job duties in a manner that:

- Promotes honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Ensures full, fair, accurate, timely and understandable disclosures in reports and documents that the Company files with, or submits to, the U.S. Securities & Exchange Commission (“SEC”) and in other public communications made by the Company;
- Complies with applicable governmental laws, rules and regulations;
- Promotes the internal reporting of violations of the Code to the appropriate person or persons identified herein; and
- Recognizes that he or she will be held accountable for their violations of the Code.

**1. Our Senior Financial Officers, which include our Chief Executive Officer, Chief Financial Officer, the Controller, and other senior officers performing financial management functions, shall maintain the highest standards in performing their duties.**

Federal law requires the Company to set forth guidelines pursuant to which the Senior Financial Officers perform their duties. However, the Company expects that in addition to the Senior Financial Officers, all employees who participate in the preparation of any part of the Company’s financial statements should follow these guidelines and thereby:

- Act with honesty and integrity, avoiding violations of the Code, including actual or apparent conflicts of interest with the Company in personal and professional relationships.
- Disclose to the Governance and Bylaws Committee any material transaction or relationship that reasonably could be expected to give rise to any violations of the Code, including actual or apparent conflicts of interest with the Company.
- Provide the Company’s other employees, consultants, and advisors with information that is accurate, complete, objective, relevant, timely, and understandable.
- Endeavor to ensure full, fair, timely, accurate, and understandable disclosure in the Company’s periodic reports.
- Comply with rules and regulations of federal, state, and local governments, and other appropriate private and public regulatory agencies.
- Act in good faith, responsibly, and with due care, competence and diligence, without misrepresenting material facts or allowing your independent judgment to be subordinated.
- Respect the confidentiality and proprietary nature of information acquired in the course of your work except where you have Company approval or where disclosure is otherwise legally mandated. Confidential or proprietary information acquired in the course of your work is the property of the Company and may not be used for personal advantage.
- Maintain skills and licenses important and relevant to the Company’s needs and your position with the Company.
- Proactively promote ethical behavior among peers in your work environment.
- Achieve responsible use of and control over all assets and resources employed or entrusted to you.

- Record or participate in the recording of entries in the Company's books and records that are accurate to the best of your knowledge.
2. **All known or suspected violations of this Code of Ethics shall be reported to a member of the Governance and Bylaws Committee.**  
The Corporate Secretary and Governance and Bylaws Committee will maintain a record of violations of the Code that are reported and of the disposition of each violation. The Company will provide the Governance and Bylaws Committee the resources, funds, and where applicable access to experts or consultants to investigate such violations. The Company will maintain if the employee so desires, the anonymity of the employee and the confidentiality of the information that is reported. However, in order to conduct an effective investigation, it may not be possible to maintain confidentiality and anonymity, in all circumstances. An accusation made in bad faith will be considered a violation of this Code.
  3. **Senior Financial Officers shall cooperate in any examination or investigation by any regulatory or law enforcement agency, elected officials or other parties responsible for such matters, including but not limited to matters described in:**
    - a. Section 806 of SOX, which relates to fraud,
    - b. Section 301 of SOX, which relates to questionable accounting, internal controls and auditing matters,
    - c. Item 406 of Regulation S-K of the Securities Exchange Act of 1934 which relates to conduct that is not honest and ethical, conflicts of interest, and disclosures in SEC reports and other public disclosures that are not full, fair, accurate, timely and understandable, and
    - d. NASDAQ listing requirements.
  4. **The Company will not retaliate against any director, officer or employee who in good faith reports a known or suspected violation of this Code or who files, causes to be filed, testifies, participates in, or otherwise cooperates in a proceeding filed or about to be filed regarding any matter covered in paragraph 3, above.**
  5. **The Company's Audit Committee shall also issue procedures for the reporting to them of complaints regarding accounting, internal accounting controls or auditing matters and submission to them by employees of concerns regarding accounting or auditing matters. Such procedures shall be in addition to, and not in lieu of, any procedures established by this Code or the Governance and Bylaws Committee.**
  6. **Any violation of this Code shall be grounds for discipline and/or the suspension (with or without pay) or termination of the Senior Financial Officer's employment as recommended by the Governance and Bylaws Committee and approved by the Board, based upon the intentional nature and severity of such violation. Any violation of this Code by an employee, other than a Senior Financial Officer, shall be grounds for discipline and/or the suspension (with or without pay) or termination of the employee's employment, based upon the intentional nature and severity of such violation, as recommended by a supervisor or manager (including a Senior Financial Officer) responsible for such employee's supervision**

**and approved by a Senior Financial Officer other than such officer making the recommendation.**