



## THE GERMANIA COMPANIES

### CODE OF BUSINESS CONDUCT AND ETHICS

The Board of Directors (the "Board") of Germania Farm Mutual Insurance Association has adopted the following Code of Business Conduct and Ethics (the "Code") for the members of the board of directors of Germania Farm Mutual Insurance Association and all its subsidiaries (singularly and collectively referred to as the "Company"). This Code is designed to promote a corporate culture which maintains high standards of professional business ethics. This Code is intended to provide guidance to directors to help recognize areas of ethical risks, deal with ethical issues, provide mechanisms to report possible unethical conduct, and foster a culture of honesty and accountability. Each director must comply not only with the terms, but also the intent of this Code to avoid even the appearance of impropriety.

Any director with a concern or question about applicable provisions of this Code, or about conduct that may violate these provisions, should contact the Chairperson of the Board, and the Chairperson of any committee whose responsibilities may include or entail the questionable conduct. Any Chairperson may consult with the President, Chief Legal Officer and/or outside legal counsel, as appropriate.

#### **1. Standard of Conduct**

Each director is required to act honestly and in good faith, in a manner reasonably believed to be in the best interest of the Company, and with the care that a prudent person would exercise under the same or similar circumstances.

#### **2. Conflict of Interest**

Each director must avoid any conflicts of interest between the director and the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the Chairperson of the Board and the Chairperson of any committee which may be affected by such conflict of interest.

A "conflict of interest" may exist whenever the interest of a director conflicts in any way (or even appears to create a conflict) with the interest of the Company. While our directors should be free to make personal investments and enjoy social relations and normal business courtesies, they must not have any interest that adversely influences the performance of their responsibilities. A conflict situation can arise when a director takes actions or has interests that may make it difficult to perform his or her company responsibilities objectively. Conflicts of interest may also arise when a director, or members of his or her family, or an organization with which the director is affiliated, receives improper personal benefit as a result of his or her position as a director of the Company. "Family" includes a person's spouse, parents, children, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, sisters-in-law, and anyone (other than employees) who shares such person's home.

This Code does not attempt to describe all possible conflicts of interest that could develop. Questions about potential conflict of interest situations, and disclosures of these situations as they arise should be directed to the Chairperson of the Board, the Chairperson of the Governance Committee, or the Chairperson of any appropriate committee. Although it is not always possible to avoid conflicts of interest, it is the Company's policy to prohibit such conflicts when possible and to act when necessary to remediate such conflict.

### **3. Corporate Opportunities**

Directors are prohibited from: (a) taking for themselves personally, or the gain of family and others with whom they share a financial or close personal relationship, any opportunities that belong to the Company, are related to the Company's business, or are discovered in the course of serving as a director of the Company; (b) using the Company's property, information, or position for personal gain; or (c) competing with the Company for business opportunities, provided, however, nothing contained herein should be construed to preclude a director whose principal occupation is as an independent agent from placing insurance business with other carriers.

### **4. Confidentiality**

Directors have access to the Company's most sensitive information. Each director, during his or her term, and after leaving the Board, must maintain the confidentiality of information entrusted to him or her by the Company and other confidential information about the Company that comes to him or her, from whatever source, in his or her capacity as a director, except to those people who have an appropriate or legitimate reason to have access to the information.

Accordingly,

- i. No director shall use Confidential Information for his or her own personal benefit or to benefit persons or entities outside the Company;
- ii. No director shall disclose Confidential Information to any Company employee, either during or after his or her service as a director of the Company, unless such Company employee would customarily have access to such information with the knowledge of the Board (or appropriate Board Committee);
- iii. No director shall disclose any Confidential Information if such information is explicitly marked as "Confidential" or the Board has expressly stated that such information is intended for the Board only; and
- iv. No director shall disclose Confidential Information outside the Company, either during or after his or her service as a director of the Company, except with authorization of the Board of Directors or as may be otherwise required by law.

"Confidential Information" is all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed or the disclosure of which would otherwise violate the obligations of the Company or applicable law. It includes, but is not limited to, non-public information that might be of use to competitors or harmful to the Company or its customers if disclosed, such as:

- Non-public information about the Company’s financial condition, prospects or plans, its marketing and sales programs and research and development information, as well as, but not limited to, information relating to mergers and acquisitions, and stock decisions;
- Non-public information concerning possible transactions with other companies or information about the Company’s customers, vendors, or other outside parties in business relationships with the Company, which the Company is under an obligation to maintain as confidential;
- Non-public information (including information in all forms: oral, written, or electronic (including information contained or stored electronically)) about discussions, deliberations, or dynamics relating to business issues and decisions, between and among employees, officers, and directors; and
- Any information that the Board has agreed, by agreement or otherwise, is subject to non-disclosure obligations or any other duty of confidentiality.

## **5. Fair Dealing**

Directors shall endeavor to deal fairly with Company employees, and with the Company's customers, suppliers, business partners, and competitors. Directors should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, abuse of one’s position as a director of Company, or any other unfair dealing practice. This Code provision will have no effect on existing legal rights and obligations of the Company and its employees, including “at will” employment arrangements.

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

Directors shall comply, and oversee compliance by employees, officers, and other directors, with all laws, rules and regulations of Texas and the United States as are applicable to the Company.

## **7. Accounting Complaints**

The Audit Committee is responsible for establishing procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters. Directors who have concerns or complaints regarding such matters are encouraged to promptly submit those concerns or complaints to the Chairperson of the Audit Committee. Such concerns or complaints may be made anonymously and will be maintained confidential to the extent practical.

## **8. Reporting Violations**

In the event a member of the Board discovers, or in good faith suspects, a violation of this Code, the member should immediately report the suspected violation to the Chairperson of the Board. Any such report may be made anonymously. The Chairperson of the Board, may in his or her discretion, consult with the Chairperson of any Board Committee whose responsibilities may include or entail the questionable conduct of the suspected violation in determining how to address this violation. The Chairperson of the Board (or his or her designee), in his or her

discretion, may work with one or more of the following: the appropriate Board Committee, the President of the Company, Chief Legal Officer, and outside legal counsel, as appropriate to conduct all investigations into the suspected violation and/or questionable conduct.

In the event the suspected violation involves the Chairperson of the Board, then the member who discovers, or in good faith suspects, a violation of this Code should report the suspected violation to the Chairperson of the Board Committee whose responsibilities may include the suspected violation. The Chairperson of the applicable Board Committee (or his or her designee), in his or her discretion, may work with one or more of the following: the President of the Company, Chief Legal Officer, and outside legal counsel, as appropriate to conduct all investigations into the suspected violations.

For clarity, any Board member involved in a suspected violation should not lead any investigation but may be questioned regarding the suspected violation.

Board members who report violations or suspected violations in good faith will not be subject to retaliation of any kind. Any retaliation by any director of the Board will not be tolerated by the Board. Reported violations will be investigated and addressed promptly and will be treated as confidential to the extent possible.

## **9. Enforcement Procedures for Violations of the Code**

After the conclusion of any investigation into any suspected violation of this Code, the Chairperson of the Board (or Chairperson of the applicable Board Committee if the Chairperson of the Board is involved in the suspected Code violation) shall discuss the investigation findings with the Board of Directors.

A violation of this Code may result in disciplinary action up to and including removal from the Board. Disciplinary action shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to the Code. In determining what action is appropriate in a particular case, the Board shall consider all relevant information, including the nature and severity of the violation, whether the violation appears to have been intentional or inadvertent, and whether the individual in question has been advised prior to the violation as to the proper course of action.

## **10. Amendment and Waiver**

This Code may only be amended by a majority vote of the Board of Directors of Germania Farm Mutual Insurance Association. Any action taken by such board amending this Code shall be reduced to writing, and a copy of the same shall be provided each director of the Company as soon as practical. This Code, or any term or provision hereof, may only be waived by formal action of the Board of Germania Farm Mutual Insurance Association. Non-enforcement of this Code as to any reported violation shall at no time be deemed a waiver of the code or a waiver of the right to enforce this Code upon the reoccurrence of such event