

PALOMAR HOLDINGS, INC.

Code of Conduct and Ethics

(Effective March 15, 2019)

ABOUT OUR CODE

Introduction

Palomar Holdings, Inc. and each of its subsidiaries (collectively, the “Company”) requires the highest standards of professional and ethical conduct from its employees, officers and directors. Our reputation for honesty and integrity is key to the success of our business. This Code of Business Ethics (this “Code”) is a statement of the basic principles and key policies that govern the conduct of the Company business, in accordance with the requirements of the Securities and Exchange Commission (“SEC”) and The Nasdaq Stock Market (“Nasdaq”). This Code applies to every person at every level of our organization including all officers, directors and employees of the Company. No employee, officer or director may achieve results through violations of laws or regulations or unscrupulous dealings. This Code is central to how we conduct business and establishes the standards for doing business legally and with the highest level of ethics and integrity to encourage:

- Honest and ethical conduct, including fair dealing and the ethical handling of actual or apparent conflicts of interest;
- Full, fair, accurate, timely and understandable disclosures;
- Compliance with applicable laws and governmental rules and regulations;
- Prompt internal reporting of any violations of law or this Code;
- Accountability for adherence to this Code, including fair process by which to determine violations;
- The protection of the Company’s legitimate business interests, including its assets and corporate opportunities; and
- Confidentiality of information entrusted to directors, officers and employees by the Company and its customers.

This Code reflects the Company’s commitment to this culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees, officers and directors are expected to comply. Therefore, we expect you to read this Code thoroughly and carefully.

In addition to following this Code in all aspects of your business activities, you are expected to seek guidance in any situation where there is a question regarding compliance issues, whether with the letter or the spirit of the Company’s policies and applicable laws. Cooperation with this Code is essential to the continued success of the Company’s business and the cultivation and maintenance of its reputation as a good corporate citizen. Misconduct is never justified, even where sanctioned or ordered by an officer or other individual in a position of higher management. No individual, regardless of stature or position, can authorize actions that are illegal, or that jeopardize or violate Company standards.

Nothing in this Code prohibits you from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the SEC, the United States Congress, and any government agency, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. You do not need the prior authorization of the Company's legal department to make any such reports or disclosures and you are not required to notify the Company that you have made such reports or disclosures.

Where to Go for Help

If you are unsure as to the best course of action in a certain situation, or if you have a specific business conduct question, you have options. The most important thing is that you ask your question or raise your concern. Officers, directors and employees should promptly report suspected violations of laws, rules, regulations or this Code to appropriate personnel, including your managers, the executive officers, outside counsel for the Company or the Board of Directors or relevant Committee thereof.

The Company encourages you to speak with management in order to resolve any questions or concerns. Your immediate manager or supervisor is generally a good place to start with a compliance issue. If you are not comfortable discussing the matter with your immediate manager or supervisor – or if your immediate manager or supervisor cannot resolve your issue to your satisfaction – you can contact other levels of management. You may also get help or advice from a member of human resources or the Chief Financial Officer of the Company.

No Retaliation

Any officer, director or employee of the Company who, in good faith, seeks advice, raises a concern or reports misconduct is following this Code and doing the right thing. The Company does not allow retaliation of any kind against good faith reports or complaints of violations of this Code or other illegal or unethical conduct. Any retaliation or retribution against any officer, director or employee of the Company for a report made in good faith of any suspected violation of laws, rules, regulations or this Code is cause for appropriate disciplinary action.

Violations of this Code

After a potential violation is brought to the Company's attention, the Company shall promptly perform an evaluation, and to the extent appropriate and necessary, conduct an investigation of the issue(s) raised. In the event it is determined that a violation has occurred, the Company shall respond appropriately, in accordance with Company disciplinary procedures and other policies, including but not limited to, the possible termination of the employment at the Company of those involved. The Company may also report the misconduct to the appropriate legal authorities.

The Company will be consistent in its enforcement of this Code and in its investigations of reports of violations.

Compliance with and Amendments of this Code

Failure to comply with this Code or applicable laws, rules or regulations may result in disciplinary measures, including discharge from your position with the Company. Violations of this Code may also constitute violations of law and may result in civil or criminal penalties for such person, such person's supervisors and/or the Company. The Board of Directors will determine, or designate appropriate persons to determine, appropriate actions to be taken in the event of a violation of this Code in relation to officers and directors. In determining what action is appropriate in a particular case, the Board of Directors or its

designee will consider the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation was intentional or inadvertent, whether the individual in question had been advised prior to the violation as to the proper course of action and whether or not the individual in question had committed other violations in the past. The Company's Chief Financial Officer will determine appropriate actions to be taken in the event of a violation of this Code in relation to all other employees.

This Code cannot, and is not intended to, address all of the ethical complexities that may arise during the course of employment or association with the Company. There will be occasions where circumstances not covered by policy or procedure arise, and where a judgment must be made as to the appropriate course of action. In such circumstances, the Company encourages common sense decision-making, and consultation with a manager, member of human resources, or the Chief Financial Officer of the Company for guidance.

Any material amendment of this Code will be made only by the Board of Directors and will be promptly disclosed as required by law or stock exchange regulation.

Waivers of this Code

While most of the policies contained in this Code must be strictly adhered to and no exceptions can be allowed, in rare cases exceptions may be appropriate.

Any employee who believes that an exception to any of these policies is appropriate in his or her case should first contact his or her immediate supervisor of the group in which the employee works. If the supervisor agrees that an exception is appropriate, the approval of the Chief Financial Officer of the Company, or his or her designee, must be obtained. The Chief Financial Officer of the Company, or his or her designee, shall be responsible for maintaining a record of all requests for exceptions to any of these policies and the disposition of such requests.

Any executive officer or director, or immediate family member of an officer or director, who seeks an exception to any of these policies should contact the of the Company. Any waiver of this Code for executive officers or directors may be made only by the Board of Directors or a Committee of the Board of Directors and, if made, shall be promptly disclosed within four business days of such waiver or as otherwise required by law or Nasdaq rules.

BUSINESS PRACTICES AND THIRD-PARTY RELATIONS

Conflicts of Interest

A conflict of interest occurs when your private interest interferes in any way – or even appears to interfere – with the interests of the Company as a whole. A conflict situation can arise when you take actions or have interests that may make it difficult to perform your Company duties objectively and effectively. Conflicts of interest also arise when you, or an immediate family member of yours, receive an improper personal benefit because of your position in the Company. Your obligation to conduct the Company's business in an honest and ethical manner includes the ethical handling of actual or apparent conflicts of interest between personal and business relationships. You must avoid any interest in or benefit from any vendor that would in fact or in appearance cause you to favor that vendor over other vendors. For example, conflicts of interest may arise if:

- You cause the Company to engage in business transactions with a company that you, your friends or your relatives control without having obtained the appropriate prior approvals required. (See also under “Related Party Transactions” below).
- You are in a position to (i) compete with, rather than help, the Company or (ii) make a business decision not on the basis of the Company's interest but rather for your own personal advantage.
- You take actions, or have personal or family interests, that may make it difficult to perform your work (or discharge your duties and obligations) effectively.
- You, or any of your family members or affiliates, receive improper personal benefits other than gratuities and payments received as a result of your position in the Company.

A conflict of interest may not be immediately recognizable, so the Company requires that employees, officers and directors disclose any situation that reasonably would be expected to give rise to a conflict of interest immediately to the Chief Financial Officer of the Company. Further, if you become aware of a conflict or potential conflict involving another employee, officer or director, you should bring it to the attention of the Chief Financial Officer of the Company or a member of the Audit Committee of the Board of Directors. If the concern requires confidentiality, including keeping particular individuals anonymous, then this confidentiality will be protected, except to the extent necessary to conduct an effective investigation or as required by under applicable law, regulation or legal proceedings.

Related Party Transactions

The Company has adopted a policy that requires the review and approval of any transaction, arrangement or relationship where the Company was, is or will be a participant and the amount involved exceeds \$120,000, and in which any “Related Person” (generally defined as any director (or director nominee) or executive officer of the Company, beneficial owner of more than 5% of the Company stock, any immediate family member of the foregoing and any entity in which any of the foregoing persons is employed or is a partner or principal or in which that person has a 10% or greater beneficial ownership interest) had, has or will have a direct or indirect material interest. Before entering any such transaction, arrangement or relationship, the Company's Chief Financial Officer must be notified of the facts and circumstances of the proposed transaction, arrangement or relationship. If the Company's Chief Financial Officer determines that a transaction, arrangement or relationship is indeed a related party transaction, then such transaction will be sent to the Audit Committee (or the Chair of such committee) for their review and approval. Only those transactions that are in the best interests of the Company shall be approved.

Corporate Opportunities

You owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. If you discover or are presented with a business opportunity through the use of corporate property, or information or because of your position with the Company, you should first present the business opportunity to the Company before pursuing the opportunity in your individual capacity. No employee, officer or director may use corporate property, information, or his or her position with the Company for personal gain while employed by us, or, for a director, while serving on our Board.

You should disclose to your supervisor the terms and conditions of each business opportunity covered by this Code that you wish to pursue. Your supervisor will contact the Chief Financial Officer of the Company and the appropriate management personnel to determine whether the Company wishes to pursue the business opportunity. If the Company waives its right to pursue the business opportunity, you may pursue the business opportunity only on the same terms and conditions as originally proposed and consistent with the other ethical guidelines set forth in this Code.

Public Reporting

The information in the Company's public communications, including all reports and documents filed with or submitted to the SEC, must be full, fair, accurate, timely and understandable.

To ensure the Company meets this standard, persons responsible for the preparation of such documents and reports and other public communications must exercise the highest standard of care in accordance with the following guidelines:

- all accounting records, and the reports produced from such records, must comply with all applicable laws;
- all accounting records must fairly and accurately reflect the transactions or occurrences to which they relate;
- all accounting records must fairly and accurately reflect in reasonable detail the Company's assets, liabilities, revenues and expenses;
- accounting records must not contain any false or intentionally misleading entries;
- no transactions should be intentionally misclassified as to accounts, departments or accounting periods;
- all transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period;
- no information should be concealed from the internal auditors or the independent auditors; and
- compliance with the Company's internal control over financial reporting and disclosure controls and procedures is required.

Bribery and Corruption

The Company is committed to the highest ethical standards and compliance with all applicable laws. In the United States, and in many other countries, it is illegal to directly or indirectly provide, offer, promise,

request or accept a kickback or bribe. A kickback or bribe includes any money, fee, commission, credit, gift, gratuity, thing of value or compensation of any kind that is used to improperly influence the recipient, including to obtain or retain business or a business advantage, or to obtain or reward favorable treatment in a business transaction. Bribery can take many forms; payments need not be in cash to be illegal. Examples of items that, if used to improperly influence the recipient, could constitute a bribe include employment opportunities, political or charitable contributions, travel expenses, golf outings, automobiles, and loans with favorable interest rates or repayment terms.

The Company's policy on kickbacks and bribes is clear: they are illegal and are not allowed. We do not directly or indirectly (i.e., through a third party) provide, offer, promise, request or accept bribes or kickbacks.

The Company prohibition on bribes and kickbacks applies to bribery of public officials as well as bribery in the private sector. Certain laws, such as the U.S. Foreign Corrupt Practices Act, prohibit improper payments to public officials. As such, we must take extra care in our interactions with public officials. Public officials include any person who exercises a public function or who works for a government at any level; any political party or campaign, party official, or candidate for political office; and officers or employees of government-owned or state-owned companies.

If a third party or government official implies that a bribe is just the way business gets done in his or her country, our stance is firm – we just do not do it. We also do not permit facilitation payments, or small payments to low-level government officials to expedite a routine, non-discretionary governmental task. Any requests for bribes, kickbacks, or facilitation payments should be reported immediately to the Chief Financial Officer of the Company.

The Company makes and keeps complete and accurate books and records, and maintains a system of internal controls designed to prevent and detect payments that would violate this Policy or applicable Anti-Corruption laws.

If any officer, director or employee of the Company has any questions about whether certain conduct would create risks under the relevant anti-corruption laws, please contact the Chief Financial Officer of the Company.

Insider Trading

Trading on inside information is a violation of federal securities law. Officers, directors or employees in possession of material non-public information about the Company or companies with whom we do business must abstain from trading or advising others to trade in the respective company's securities from the time that they obtain such inside information until adequate public disclosure of the information. Material information is information of such importance that it can be expected to affect the judgment of investors as to whether or not to buy, sell, or hold the securities in question. To use non-public information for personal financial benefit or to "tip" others, including family members, who might make an investment decision based on this information, is not only unethical, but also illegal.

Fair Dealing

The Company prohibits unfair methods of competition and deceptive acts or practices. Examples of these include false or deceptive statements or comparisons about the Company products or services, falsely disparaging a competitor or its products or services, and making product or service claims without the data to substantiate them. You must never take unfair advantage of others through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair business practice.

Compliance with Laws, Rules and Regulations

Compliance with both the letter and spirit of all laws, rules and regulations applicable to the Company, including any securities exchange or other organization or body that regulates the Company, is critical to our reputation and continued success. All employees, officers and directors must respect and obey the laws of the cities, states and countries in which the Company operates and avoid even the appearance of impropriety. Employees, officers or directors who fail to comply with this Code and applicable laws will be subject to disciplinary measures, up to and including discharge from the Company.

Compliance with Antitrust Laws.

The Company believes in fair and open competition, and adheres strictly to applicable antitrust laws. It should be noted however that the following section is not an exhaustive summary of relevant antitrust laws. Additional antitrust considerations not covered in this section include participation in trade association, monopolization, price discrimination and other practices that affect competition.

As a general proposition, any contact with a competitor may be problematic under antitrust laws. Accordingly, all employees, officers and directors should avoid any such contact relating to the business of the Company or the competitor without first obtaining the approval of the Chief Financial Officer of the Company. Any additional concerns relating to the aforementioned areas of potential antitrust breach should also be directed to the Chief Financial Officer of the Company.

The Company notes below some general rules concerning contact with competitors:

- Agreements among competitors, whether written or oral, that relate to prices are illegal per se. In other words, such agreements, by themselves, constitute violations of the antitrust laws. *There are no circumstances under which agreements among competitors relating to prices may be found legal.* Price fixing is a criminal offense, and may subject the Company to substantial fines and penalties and the offending employee to imprisonment and fines.
- Antitrust laws may be violated even in the absence of a formal agreement relating to prices. Under certain circumstances, an agreement to fix prices may be inferred from conduct, such as the exchange of price information, and from communications among competitors even without an express understanding. Although exchanges of price information are permitted in certain circumstances, employees of the Company should not participate in such exchanges without first obtaining the approval of the Chief Financial Officer of the Company.
- It is a per se violation of antitrust laws for competitors to agree, expressly or by implication, to divide markets by territory or customers.
- It is a per se violation of the antitrust laws for competitors to agree not to do business with a particular customer or supplier. As with agreements to fix prices, the antitrust laws can be violated even in the absence of an express understanding.
- Any communication between competitors concerning problems with any customer or supplier may violate antitrust laws and should be avoided.

CUSTOMER & PUBLIC RELATIONS

Advertising

The Company's reputation is one of its most important assets. To maintain our customers' ongoing trust, advertising and marketing activities must describe products fairly, honestly and legally. We must be able to back up all claims that we make about products that we offer to our customers.

All external advertising and promotions must be reviewed for compliance with applicable laws and regulations.

Communications

Everything we say on social media can affect the image and reputation of the Company. Each officer, director and employee is encouraged to conduct himself or herself in a responsible, respectful, and honest manner at all times. No officer, director or employee is permitted to post information on any social media site as if they represent or speak for the Company and should include a disclaimer on any personal online presence that the views expressed therein do not necessarily reflect the views of the Company. And of course, you should never post any information that is confidential or proprietary to the Company.

It is the Company policy to provide accurate and consistent communication to the public, including the media. To maintain the accuracy and consistency of the information, corporate spokespeople are designated to respond to all inquiries. No officer, director or employee may speak publicly about the Company or its activities unless specifically authorized to do so by either the Chief Executive Officer or the Chief Financial Officer.

Political Activity

The Company firmly believes in the importance of participating in the democratic process, and encourages officers, directors and employees to exercise their right to vote. Officers, directors and employees may participate in the political process as individuals on their own time. However, officers, directors and employees must make every effort to ensure that they do not create the impression that they speak or act on behalf of the Company with respect to political matters. The Company strictly adheres to state and federal election laws, which restrict contributions by companies to political candidates or parties or to any other organization that might use the contributions for a political candidate or party. No officer, director or employee may receive any reimbursement from corporate funds for a personal political contribution. It is also the Company's policy to comply with all applicable laws and regulations relating to lobbying or attempting to influence government officials.

COMPANY INFORMATION & RESOURCES

Confidentiality

Employees, officers and directors must maintain and protect the confidentiality of information entrusted to them by the Company, or that otherwise comes into their possession, during the course of their employment or while carrying out their duties and responsibilities, except when disclosure is authorized by the Company or legally mandated.

The obligation to preserve confidential information continues even after employees, officers and directors leave the Company.

Confidential information encompasses all non-public information (including, for example, “inside information”¹ or information that suppliers and customers have entrusted to the Company) that may be of use to competitors, or may otherwise be harmful to the Company or its key stakeholders, if disclosed. Financial information is of special sensitivity and should under all circumstances be considered confidential, except where its disclosure is approved by the Company or when the information has been publicly disseminated.

Protection and Proper Use of Company Assets

All employees, officers and directors should promote and ensure the efficient and responsible use of the Company’s assets and resources by the Company. Theft, carelessness and waste have a direct impact on the Company’s profitability. Any suspected incidents of fraud or theft should be immediately reported for investigation.

Company assets, such as proprietary information, funds, materials, supplies, products, equipment, software, facilities, and other assets owned or leased by the Company or that are otherwise in the Company’s possession, may only be used for legitimate business purposes and must never be used for illegal purposes.

Proprietary information includes any information that is not generally known to the public or would be valued by, or helpful to, our competitors. Examples of proprietary information are intellectual property, business and marketing plans and employee information. The obligation to use proprietary information only for legitimate business purposes continues even after individuals leave the Company.

Use of Company Technology

The Company has developed a policy to ensure that you understand the rules governing your use of the Company’s computer network, and options for e-mail and voicemail or other messaging services, Internet access or other use of electronic media. All Company equipment, including desks, computers and computer systems, computer software, electronic storage devices, cellphones or other mobile devices, e-mail, voicemail and other physical items are for business use only. The Company at all times retains the right to access and search all such electronic media or other items contained in or used in conjunction with the Company’s computer, e-mail, voicemail and Internet access systems and equipment with no prior notice.

Like the Company’s computer network, e-mail and voicemail services, access to Internet services such as web-browsing or newsgroups is provided to employees by the Company only for business use. Any personal use must be infrequent and must not involve any prohibited activity, interfere with the productivity

¹ “Inside information” may include material, non-public information that has not publicly been disclosed and has the potential to affect the price of a security.

of the employee or his or her co-workers, consume system resources or storage capacity on an ongoing basis or involve large file transfers or otherwise deplete system resources available for business purposes.

Your messages and computer information are considered Company property and consequently, employees should not have an expectation of privacy in the context of computer and voice mail use. Unless prohibited by law, the Company reserves the right to access and disclose this information as necessary for business purposes. Use good judgment, and do not access, send messages or store any information that you would not want to be seen or heard by other individuals.

Company Records and Document Retention

Records created, received or used during the conduct of Company business, including all communications sent or received using the Company's email system, are at all times the property of the Company wherever those records may be located. At any time, the Company and, in certain circumstances, third parties (including government officials), may review, without prior notice to personnel, any and all firm records, including records marked "Personal" or "Private."

Any records that you create and store are subject to this Code and may be demanded by third parties during the course of litigation or a government investigation or, in the case of records sent outside the Company, subject to the records retention policies of the recipients.

You should, therefore, avoid discriminatory remarks, harassment and threats of violence or similar inappropriate or unlawful conduct. This applies to communications of all kinds, including e-mail, instant messaging, voice mail messages, text messages, video recordings and informal notes or interoffice memos. Records should be retained and destroyed in accordance with the Company's records retention policy.

EMPLOYEE RELATIONS, SAFETY & ENVIRONMENT

Discrimination and Harassment

The Company values a diverse working environment and is committed to providing equal opportunity in all aspects of our business. Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. The Company encourages the reporting of harassment when it occurs.

Safety and Health

The Company is committed to keeping its workplaces free from hazards. You should report any accidents, injuries or unsafe equipment, practices or conditions immediately to a supervisor or other designated person. Threats or acts of violence or physical intimidation are prohibited.

You must not engage in the use of any substance that could prevent you from discharging your work duties and responsibilities safely and effectively.