DONEGAL GROUP INC.

POLICY AND PROCEDURES REGARDING COMPLIANCE WITH SEC "UP-THE-LADDER" REPORTING STANDARDS OF PROFESSIONAL CONDUCT FOR ATTORNEYS

Introduction

Pursuant to the provisions of the Sarbanes-Oxley Act of 2002, the SEC has adopted rules (the "SEC Rules") that prescribe standards of professional conduct applicable to all attorneys who are "appearing and practicing" before the SEC in the representation of public companies. Under the SEC Rules, an attorney who represents a public company and who becomes aware of evidence of (i) a material violation of federal or state securities laws, (ii) a material breach of fiduciary duty arising under federal or state law or (iii) a similar material violation of federal or state law is required to report such matters to the chief legal officer of the company, both the chief legal officer and the chief executive officer of the company or a qualified legal compliance committee the board of directors of the company has established. The person(s) to whom a report are made are required to make an "appropriate response" within a reasonable time to the reporting attorney. Unless the reporting attorney reasonably believes that an appropriate response has been made under the SEC Rules within a reasonable time, after becoming aware of such evidence the reporting attorney is required to report the matter to the company's audit committee, another committee of independent directors or, in the absence of an independent board committee, the full board of directors.

The Board of Directors of the Company believes that it is appropriate to establish, and has adopted, this Policy for the purpose of ensuring compliance with the SEC Rules.

Explanation of Certain Terms

This section explains certain terms used in the SEC Rules or under this Policy.

"Appearing and practicing" before the SEC is broadly defined under the SEC Rules to mean, in the context of providing legal services on behalf of the Company: (i) transacting any business with the SEC, including communications in any form; (ii) representing the Company in any SEC administrative proceeding or in connection with any SEC investigation, inquiry, information request or subpoena; (iii) providing securities law advice regarding any document that an attorney has notice will be filed with or submitted to, or incorporated into any document that will be filed with or submitted to, the SEC;, or (iv) advising the Company as to whether information or a statement, opinion or other writing is required under the federal securities laws or the SEC's rules or regulations to be filed with or submitted to, or incorporated into any document that will be filed with or submitted to, the SEC.

An "appropriate response" means a response based on which the reporting attorney reasonably believes that:

- no material violation has occurred, is ongoing or is about to occur;

- the Company has adopted appropriate remedial measures, including appropriate steps or sanctions to stop any material violation that is ongoing, to prevent any material violation that has yet to occur and to remedy or otherwise appropriately address any material violation that has already occurred and to minimize the likelihood of its recurrence; or

- the Company, with the consent of the Board of Directors, has retained an attorney to review the matter and either has substantially implemented that attorney's recommendations after an investigation or has been advised that the Company could assert a substantive defense in an investigation or proceeding arising from the reported evidence.

The "CLO" means, for purposes of this Policy and the SEC Rules, the chief legal officer of the Company.

The "Committee" means the Audit Committee of the Board of Directors.

"Evidence of a material violation" means "credible evidence, based upon which it would be unreasonable, under the circumstances, for a prudent and competent attorney not to conclude that it is reasonably likely that a material violation has occurred, is ongoing or is about to occur."

A "material violation" means a material violation of federal or state securities laws, a material breach of fiduciary duty arising under federal or state laws or a similar material violation of any federal or state law. "Materiality" is a fact-based question that may be judged qualitatively and quantitatively. In general, a fact or circumstance is material if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision.

Attorneys Subject to This Policy

Although the SEC Rules apply only to attorneys who are appearing and practicing before the SEC in the representation of the Company, the Company has concluded that, as a matter of internal policy, this Policy shall apply broadly to include any attorney who performs legal services for and on behalf of the Company. This Policy, however, does not apply to any attorney who does not provide legal services as an attorney for the Company, *e.g.*, an attorney who performs a purely business function as an officer, employee or director of the Company. Outside law firms representing the Company are expected to comply fully with the SEC Rules.

Reporting Policies and Procedures

1. Reporting Evidence of a Material Violation

An attorney covered by this Policy who becomes aware of "evidence of a material violation" by the Company or by any officer, director, employee or agent of the Company should promptly report that evidence directly to the CLO. The SEC Rules also provide that an attorney may bring evidence of a material violation to both the CLO and the Company's chief executive officer (the "CEO"). If, however, the attorney reasonably believes that reporting to the CLO and the CEO would be futile, he or she may report such evidence to the Committee. The CLO or the Committee who receives the report, as the case may be, is referred to in this Policy as the "Recipient."

Reports by a reporting attorney under this Policy need not be in writing. It is the responsibility of the reporting attorney, however, to make certain that the Recipient of the report has received the report and understands that the communication constitutes a report covered by this Policy.

2. Response to the Report

If the Recipient receives a report from a reporting attorney under this Policy, the Recipient shall cause such inquiry into the matter reported as the Recipient reasonably believes is appropriate to determine whether the facts described in the report constitute a material violation. The Recipient shall decide on a case-by-case basis whether to retain an attorney to investigate evidence of a material violation. As required under the definition of "appropriate response, if the Recipient decides to use or retain an investigating attorney to investigate the evidence and recommend an appropriate response, the Recipient shall first obtain consent from the Board of Directors to do so. Upon making a determination, or receiving a recommendation from an investigating attorney, of an appropriate response:

- if the Recipient determines that no material violation has occurred, is ongoing or is about to occur, the Recipient shall notify the reporting attorney of the determination and the basis for the determination; and

- if the Recipient determines that a material violation may have occurred, may be ongoing or may be about to occur, the Recipient shall develop and implement an appropriate response, which may include retaining an attorney with the consent of the Board of Directors of the Company to investigate the matter or to assert a substantive defense and to notify the reporting attorney of the response so developed and implemented.

3. Further Action by the Reporting Attorney

After submitting a report, the reporting attorney has an obligation under the SEC Rules to determine whether the reporting attorney reasonably believes he or she has received an "appropriate response" within a reasonable time.

If the reporting attorney reasonably believes that the Recipient has provided an appropriate response within a reasonable time, then the reporting attorney need do nothing further under the SEC Rules or this Policy.

If the reporting attorney has reported to the CLO and reasonably believes that the CLO, as the Recipient, has not provided an appropriate response within a reasonable time, the reporting attorney must "report up" the matter to the Committee, which shall then undertake the review as the Recipient under Section 2 above.

If the reporting attorney reasonably believes that the Committee, which has either received the report initially from the reporting attorney or on an "up-the-ladder" basis, has not provided an appropriate response within a reasonable time, the reporting attorney must explain his or her reasons for that belief to the CLO, the CEO and the directors to whom the reporting attorney reported the matter. At this point the responsibilities of the reporting attorney under this Policy and the SEC Rules shall have been satisfied. The reporting attorney, however, may consider any other responsibilities he or she may have under the applicable state attorney ethics codes or other applicable law.

Retention of Independent Attorneys

If the Recipient engages an investigating attorney, the investigating attorney will not be required separately to report evidence of a material violation under this Policy if:

- the investigating attorney reports the results of the investigation to the Recipient; and

- except where the investigating attorney and the Recipient each reasonably believes that no material violation has occurred, is ongoing or is about to occur, (i) the CLO reports the results of the investigation to the Committee or the Board of Directors or (ii) the Committee reports the results of the investigation to the Board of Directors. The Recipient should promptly confirm to the investigating attorney that the results of the investigation have been so reported.

Also, an attorney retained or directed by the Recipient to assert a substantive defense on behalf of the Company or an officer, director, employee or agent of the Company, as the case may be, in an investigation or proceeding relating to evidence reported under this Policy is not required separately to report evidence of a material violation under this Policy if the Recipient provides reasonable and timely reports on the progress and outcome of such

proceeding to (i) the Committee, if the Recipient is the CLO, or (ii) the Board of Directors, if the Recipient is the Committee. Therefore, it is required that an attorney retained for such purpose make timely progress reports of such proceeding to the Recipient and the Recipient inform such attorney on a timely basis that reasonable and timely reports have been provided to the Committee or the Board, as the case may be.

Confidentiality

A reporting attorney should not make public his or her report or related communications or take other action that might be deemed a waiver of attorney-client privilege, except as otherwise required by law. As provided under the SEC Rules, any report made pursuant to the SEC Rules, this Policy or any response thereto or any contemporaneous record thereof may be used by the reporting attorney in connection with an investigation, proceeding or litigation in which his or her compliance with the SEC Rules is in issue.

Reporting Under This Policy

Submissions of reports under this Policy by a reporting attorney should be made to the CLO designated by the Company's Board of Directors. As of the date of this Policy, the Board of Directors has designated the following attorney as the CLO:

Richard L. Cohen
Duane Morris LLP
30 South 17th Street
Philadelphia, PA 19103-4196
Telephone: (215) 979-1233
E-mail: rlcohen@duanemorris.com

Reports may be submitted via U.S. mail, courier, FedEx or similar electronic delivery service, telephone, e-mail, pdf or in person. If the reporting attorney desires to make a report anonymously, the attorney should type the report, including the date, but not the attorney's name, and deliver the report via mail, courier, FedEx or other delivery service in an envelope marked CONFIDENTIAL. A report submitted by e-mail should be sent so that the e-mail address does not identify the sender.

A report submitted directly to the Audit Committee should be addressed to the Audit Committee, c/o the CLO, in the manner described in the preceding paragraphs of this section.

As adopted by the Board of Directors on April 16, 2020