

**JMP GROUP LLC**

**CODE**

**OF**

**BUSINESS CONDUCT AND ETHICS**

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# JMP GROUP LLC

## CODE OF BUSINESS CONDUCT AND ETHICS

### POLICY STATEMENT

It is the policy of JMP Group LLC (the “*Company*”) to conduct its affairs in accordance with all applicable laws, rules and regulations of the jurisdictions in which it does business. This Code of Business Conduct and Ethics (“*Code*”) applies to the Company’s employees, officers and non-employee directors, including the Company’s principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions (“*Designated Executives*”). This Code also applies to certain independent contractors, consultants, and advisors who work at the Company’s facilities or on the Company’s behalf, in which case those persons will be notified and provided a copy of this Code. Such persons will be deemed Company personnel for purposes of this Code.

This Code is designed to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in the reports and documents the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company;
- compliance with applicable governmental laws, rules and regulations;
- the prompt internal reporting to the appropriate person of violations of this Code; and
- accountability for adherence to this Code.

The Company has established certain standards for behavior that affects the Company, and its employees, officers and directors must comply with those standards. The Company promotes ethical behavior and encourages employees to talk to supervisors, managers, the Company’s Compliance Team, or other appropriate personnel when in doubt about the best course of action in a particular situation. Non-employee directors are encouraged to talk to the Legal Department in such situations. Anyone aware of a situation that he or she believes may violate or lead to a violation of this Code should follow the guidelines under “*Compliance and Reporting*” below.

The Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles. Specific Company

policies and procedures provide details pertinent to many of the provisions of the Code. Many of these policies and procedures can be obtained from the Company's Legal Department. Those policies and procedures are not a part of the Code or incorporated herein. Although there can be no better course of action than to apply common sense and sound judgment, do not hesitate to use the Company's available resources whenever it is necessary to seek clarification.

## **APPROVALS AND WAIVERS; AMENDMENTS; INTERPRETATION**

Certain provisions of this Code require you to act, or refrain from acting, unless prior approval is received from the appropriate person. Employees requesting approval pursuant to this Code should request such approval in writing from the Chief Legal Officer. Approvals relating to executive officers and directors must be obtained from the Company's Board of Directors (the "*Board*"), or an independent and disinterested committee thereof. All other approvals may be granted by the Chief Legal Officer, or such officer's designee.

Other provisions of this Code require you to act, or refrain from acting, in a particular manner and do not permit exceptions based on obtaining an approval. Waiver of those provisions relating to executive officers and directors may only be granted by the Board, or an independent and disinterested committee thereof, and waivers relating to executive officers and directors must be promptly disclosed to stockholders. All other waivers may be granted by the Chief Legal Officer, or such officer's designee.

Changes in this Code may only be made by the Board and must be promptly disclosed to stockholders. In some situations it may not be clear whether a provision of the Code is intended to apply to particular conduct. In such situations the Board, the Audit Committee and the Corporate Governance and Nominating Committee have full power and authority to interpret the Code in a manner that they believe reflects the intent of the Board, and no determination that the Code was not intended to apply to such conduct shall be deemed to be a waiver of the Code's prohibitions.

## **CONFLICTS OF INTEREST**

A conflict of interest arises when your personal interests interfere with your ability to act in the best interests of the Company. A conflict situation can arise when you take actions or your interests make it difficult to perform your company work objectively and effectively. Conflicts of interest also arise when you, or a member of your family, receive improper personal benefits as a result of your position in the company. Employees must discharge their responsibilities on the basis of what is in the best interest of the Company independent of personal consideration or relationships. Non-employee directors must discharge their fiduciary duties as directors of the Company.

Employees should disclose any potential conflicts of interest to the Chief Legal Officer or such officer's designees, who can advise the employee as to whether or not the Company believes a conflict of interest exists. An employee should also disclose

potential conflicts of interest involving the employee's spouse, siblings, parents, in-laws, children and members of the employee's household. Non-employee directors may discuss any concerns with the Company's Legal Department.

## **BUSINESS RELATIONSHIPS**

The Company seeks to outperform its competition fairly and honestly. The Company seeks competitive advantages through superior performance, not unethical or illegal business practices. Each employee must endeavor to deal fairly with the Company's clients, competitors and employees and must not take advantage of them through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair-dealing practice.

## **FAIR COMPETITION**

Fair competition laws, including the U.S. antitrust rules, limit what the Company can do with another company and what the Company can do on its own. Generally, the laws are designed to prohibit agreements or actions that reduce competition and harm consumers. The Company may not enter into agreements or discussions with competitors that have the effect of fixing or controlling prices, dividing and allocating markets or territories, or boycotting suppliers or customers.

## **GIFTS, GRATUITIES, ENTERTAINMENT AND OTHER CONSIDERATIONS**

Use of Company funds or other Company property for illegal, unethical or otherwise improper purposes is prohibited. The purpose of business entertainment and gifts in a commercial setting is to create goodwill and a sound working relationship, not to gain personal advantage with clients.

### **Loans**

Employees may not accept loans from any person or entities having or seeking business with the Company, unless disclosed in advance and approved by both the Chief Legal Officer and the Chief Compliance Officer. Designated Executives and directors may not receive loans from the Company, nor may the Company arrange for any such loan.

### **Bribes and Kickbacks**

The use of Company funds, facilities or property for any illegal or unethical purpose is strictly prohibited; provided, that certain facilitating payments discussed in "Doing Business Internationally," below, are permitted.

- Further, Company personnel may not solicit or accept a kickback or bribe, in any form, for any reason.

## **DOING BUSINESS INTERNATIONALLY**

The Company is committed to the highest business conduct standards wherever it operates. The Company observes these standards worldwide, even at the risk of losing business. While no one can anticipate all the situations that may present challenges to the Company employees doing business in the worldwide marketplace, the following guidelines always apply:

- Observe all laws and regulations, both U.S. and non-U.S., that apply to business abroad.
- Paying bribes to government officials is absolutely prohibited, even if those bribes are common practice, except for facilitating payments. You may not give, promise to give or authorize the giving to a foreign official, a foreign political party, or official thereof or any candidate for foreign political office any money or offer, gift, promise to give or authorize the giving of anything of value to influence any act or decision, to induce such official, party or candidate to do or omit to do any act in violation of the lawful duty of such official, party or candidate, or to induce such official, party or candidate to use his or her influence with a foreign government or agency to affect or influence any act or decision of such foreign government or agency.
- Do not cooperate with illegal boycotts.
- Observe all licensing requirements and the requirements of applicable import and export control laws.

The laws governing the Company's business in foreign countries are extensive and complex, and may be different from those in the United States.

## **POLITICAL CONTRIBUTIONS AND LOBBYING**

No political contributions are to be made using funds or assets of the Company, or the funds or assets of any subsidiary, to any political party, political campaign, political candidate or public official in the United States or any foreign country, unless the contribution is lawful and expressly authorized in writing. In addition, you may not make a political contribution on behalf of the Company or its subsidiaries, or with the appearance that such contribution is being made on behalf of the Company or its subsidiaries, unless expressly authorized in writing. A "contribution" is any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, services or anything of value in connection with an election or to an organization or group formed to support or defend a referendum or ballot issue.

Nothing in this Code is intended to discourage you from making contributions of your own time or funds to political parties or candidates of your choice. However, you will not be compensated or reimbursed by the Company for any personal contributions.

Employees must obtain prior approval to hire outside counsel or a public affairs firm to contact government officials regarding legislation, regulatory policy, or rule making. This includes grassroots lobbying contacts.

## **ACCURACY OF REPORTS, RECORDS AND ACCOUNTS**

Accurate information is essential to the Company's ability to meet legal and regulatory obligations and to compete effectively. The records and books of account of the Company must meet the highest standards and accurately reflect the true nature of the transactions they record. Destruction of any material or routinely-archived records, books of account or other documents (except in accordance with the Company's document retention policy) is strictly prohibited.

You must not create false or misleading documents or accounting, financial or electronic records for any purpose relating to the Company, and no one may direct an employee to do so. For example, expense reports must accurately document expenses actually incurred in accordance with the Company's policies. You must not obtain or create "false" invoices or other misleading documentation or invent or use fictitious entities, sales, purchases, services, loans or other financial arrangements for any purpose relating to the Company. Employees are also responsible for accurately reporting time worked.

No undisclosed or unrecorded account or fund may be established for any purpose. No false or misleading entries may be made in the Company's books or records for any reason. No disbursement of corporate funds or other corporate property may be made without adequate supporting documentation or for any purpose other than as described in the documents. All employees must comply with the Company's internal controls at all times.

## **GOVERNMENT INVESTIGATIONS**

You must promptly notify the Company's Chief Legal Officer of any government investigation or inquiries from government agencies concerning the Company. If you are aware of a government investigation or inquiry you may not destroy any related or relevant record, books of account, or other documents, unless advised by the Chief Legal Officer or the officer's designee that you may continue to follow the Company's normal document retention policy.

You must not obstruct the collection of information, data, or records relating to the Company. The Company routinely provides information to the government as part of any inspection, investigation, or request for information. You must not lie to government investigators or make misleading statements in any investigation relating to the Company. You must not attempt to cause any employee to fail to provide accurate information to government investigators.

## **REGULATORY COMPLIANCE**

The Company operates in a highly regulated environment. The agencies that regulate its business include the Securities and Exchange Commission. The Company and its employees must comply with the regulatory requirements of these agencies. Employees are expected to take an active role by being knowledgeable about all applicable laws and regulations, attending trainings and requesting information. Employees are required to immediately report regulatory violations or suspected regulatory violations to the Legal Department.

## **CONFIDENTIAL INFORMATION**

Employees, officers, and directors who have access to the Company's confidential information are not permitted to use the same for their personal benefit or the personal benefit of others, except when the use is primarily for the purpose of benefiting the Company in the conduct of its business.

You must maintain the confidentiality of information entrusted to you by the Company or its clients, employees or other persons, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information, including information that might be of use to competitors or harmful to the Company or its clients if disclosed. Failure to maintain confidentiality will result in its disciplinary action up to and including termination and possible litigation.

## **COMPLIANCE AND REPORTING**

### **Compliance**

Any employee who violates the provisions of this Code will be subject to disciplinary action, up to and including termination. Willful disregard of criminal statutes underlying this Code may require the Company to refer such violation for criminal prosecution or civil action.

### **Reporting Procedures and Other Inquiries**

Questions regarding the policies in this Code may be directed to the Company's Legal Department. Any employee having knowledge of, or questions or concerns about, an actual or possible violation of the provisions of this Code is encouraged to promptly report the matter to a member of the Legal Department. Directors are encouraged to discuss any issues or concerns with the Legal Department.

When submitting concerns, you are asked to provide as much detailed information as possible. This is particularly important when you submit a complaint on an anonymous basis (which is permitted under this policy), since we may be unable to contact you with requests for additional information or clarification. If you submit your concerns anonymously, please provide details in a manner that does not inadvertently disclose your identity (*e.g.*, refer to "John Smith" rather than "my supervisor, John Smith").

The Company prohibits retaliation against employees who choose to identify themselves when submitting a report in good faith, and takes measures to keep confidential the identities of employees who choose to identify themselves when submitting their reports. Employees who identify themselves may be contacted in order to gain additional information.

All conversations, calls and reports made under this policy in good faith will be taken seriously. Any allegations that are knowingly false or without a reasonable belief in the truth and accuracy of such information will be viewed as a serious disciplinary offense.

### **Policy Prohibiting Unlawful Retaliation or Discrimination**

Neither the Company nor any of its employees may discharge, demote, suspend, threaten, harass, or in any manner discriminate against any employee in the terms and conditions of employment based upon any lawful actions of such employee who in good faith:

- provides information or assists in an investigation relating regarding any conduct which the employee reasonably believes constitutes a violation of Fraud Laws (as defined below);
- files, testifies, participates or otherwise assists in a proceeding that is filed or about to be filed (with any knowledge of the Company) relating to an alleged violation of a Fraud Law;
- provides truthful information to a law enforcement officer relating to the commission or possible commission of any federal offense; or
- engages in any other conduct protected by law.

This policy applies in any instance where such information or assistance provided to, or the investigation is conducted by, a federal regulatory or law enforcement agency, any member or committee of Congress, or any person with supervisory authority over the employee or the authority to investigate misconduct relating to potential securities violations by the Company or its employees.

For purposes of this policy, a “**Fraud Law**” is a violation of federal criminal law involving:

- securities fraud, mail fraud, bank fraud or wire, radio or television fraud;
- violations of SEC rules or regulations; or
- violations of any federal law relating to fraud against stockholders.

The standards and the supporting policies and procedures set forth herein may change from time to time in the Company's discretion. You are responsible for knowing and complying with the current laws, regulations, standards, policies and procedures that apply to the Company's work.