

Daily Journal Corporation

Insider Trading Policy

1. Overview

The Securities Exchange Act of 1934, as amended (the “Exchange Act”) and the rules thereunder, restrict transactions in publicly traded securities by persons possessing “inside” information, i.e. material nonpublic information that may affect the value of such securities. For this reason, any persons possessing material nonpublic information about publicly traded securities must refrain (1) from purchasing or selling such securities, and (2) from “tipping” (i.e. passing along) such information to others who may purchase or sell such securities.

Insider trading is policed by the U.S. Securities and Exchange Commission and Department of Justice. Violations can lead to significant fines, monetary damages and possibly imprisonment. Even relatively small trading violations may be monitored and prosecuted.

Daily Journal Corporation (“the Company,” which for purposes of this policy includes all of its subsidiaries) has established this policy to promote compliance with applicable insider trading laws and regulations.

2. Who is Covered by this Policy?

This policy applies to all directors, officers and employees of the Company and governs your transactions in securities as described in this policy.

You are also responsible under this policy for transactions by (i) family members who reside with you or are financially dependent on you, anyone else who lives in your household, and family members who do not live in your household but whose transactions you influence or control (collectively, “Family Members”), and (ii) corporations, partnerships, LLCs, trusts and other entities you influence or control (collectively, “Controlled Entities”).

Additionally, certain rules and procedures in this policy, described in Section 7 (“Restricted Insiders, Blackout Periods and Pre-Clearance”) apply to a subset of Company personnel most likely to have material nonpublic information (“Restricted Insiders,” as defined in that section).

3. Insider Trading Prohibitions

(a) No Trading of Company Securities on the Basis of Material Nonpublic Information. Except as set forth in Section 6 (“Limited Exceptions”), you may never buy or sell Company securities when aware of material nonpublic information about the Company - that is, nonpublic information that a reasonable investor would consider important in deciding whether to buy, hold, or sell Company securities, or that could reasonably be expected to affect the price of Company securities. Section 4 provides additional guidance regarding what information is “material” and “nonpublic.”

(b) No Tipping. You may not pass material nonpublic information about the Company to anyone - either those inside the Company who do not need the information to do their jobs or to anyone outside the Company such as family, friends or other contacts - who might trade on it or pass it along. You can be liable for tipping even if you do not trade yourself and receive nothing in return.

(c) Gifts by Restricted Insiders. Bona fide gifts of Company securities by Restricted Insiders are prohibited during a Blackout Period.

(d) Securities of Other Companies. The restrictions in subsections (a) and (b) above apply not only to Company-related nonpublic information and securities, but also to material nonpublic information relevant to any publicly traded securities issued by any other entity that you become aware of through your work for the Company, for instance where the Company may be considering a transaction involving such other entity.

4. Meaning of “Material” and “Nonpublic”

Material. Information is considered material if a reasonable investor would consider it important when making a decision to buy, hold or sell a security. It includes any information that could be expected to affect the price of the security at issue, whether positively or negatively.

Nonpublic. Information is nonpublic until it has been made available to the general public for enough time that the market has had a sufficient opportunity to absorb it. The Company considers information nonpublic until at least one full trading day has passed following the Company’s public release of such information, for example, via press release, Form 8-K, 10-Q, 10-K or other SEC filing.

5. Other Prohibited Transactions

Because of the heightened legal risk and appearance of impropriety they create, you may not engage in any of the following transactions involving Company securities, regardless of whether you are aware of material nonpublic information at the time:

(a) Short Sales. You may not engage in short sales of Company securities (i.e. selling a security you do not own). Section 16(c) of the Exchange Act separately prohibits this for officers and directors.

(b) Options and Derivative Securities. You may not engage in transactions in put options, call options, or other derivative securities relating to Company securities, whether or not on an exchange or in any other organized market.

(c) Hedging Transactions. You may not engage in hedging or monetization transactions involving Company securities, including through prepaid variable forwards, equity swaps, collars, exchange funds, or similar instruments. These transactions can allow you to continue to hold Company securities while reducing or eliminating the economic risks and rewards of ownership, which may misalign your interests with those of other shareholders.

(d) Margin Accounts and Pledged Securities. You may not hold Company securities in a margin account or otherwise pledge Company securities as collateral for a loan. A margin call or loan default could force a sale at a time when you are aware of material nonpublic information or otherwise restricted from trading, regardless of your intent.

6. Limited Exceptions

(a) Transactions Under Company Equity Plans. This policy does not restrict transactions effected pursuant to the terms of a Company equity compensation plan, such as the vesting of an equity award or the related withholding of shares by the Company to satisfy tax obligations. This policy does, however, restrict any market sale of shares acquired under such a plan, which remains subject to the general prohibitions in Section 3 and, if applicable, the Blackout Period and pre-clearance procedures in Section 7.

(b) Transactions Not Involving a Purchase or Sale. Transactions that involve merely a change in the form of ownership - such as a transfer to a revocable trust of which you remain the sole beneficiary during your lifetime - are permitted even while you are aware of material nonpublic information or during a Blackout Period. Transactions in mutual funds or exchange-traded funds that are invested in the Company's securities are not transactions subject to this policy. This policy also does not apply to changes in the number of securities held as a result of a stock split or stock dividend applying equally to all securities of a class.

(c) Individual Rule 10b5-1 Trading Plans. You may establish a Rule 10b5-1 trading plan for transactions in Company securities, provided that you obtain the Trading Compliance Officer's approval before adopting or modifying such a plan, and it complies with applicable law. Transactions made pursuant to an approved Rule 10b5-1 trading plan are not subject to the Blackout Period or transaction-by-transaction pre-clearance described in Section 7.

7. Restricted Insiders, Blackout Periods and Pre-Clearance

(a) Restricted Insiders. "Restricted Insiders" means directors, executive officers subject to Section 16 of the Exchange Act, and any other employees designated by the Trading Compliance Officer as having regular access to material nonpublic financial information prior to public release. Other Company employees remain subject to the general prohibitions in Sections 3 and 5 at all times but are not subject to the scheduled Blackout Period or pre-clearance procedures in this section.

(b) Blackout Period. Restricted Insiders may not trade in Company securities beginning at the close of trading two weeks before the end of each fiscal quarter and continuing until the market opens after one full trading day has elapsed following the Company's public release of its financial results for the prior quarter (the "Blackout Period"). Regardless of the Blackout Period, Restricted Insiders remain subject at all times to the prohibition on trading while aware of material nonpublic information.

(c) Pre-Clearance. Additionally, Restricted Insiders may not trade in Company securities, even outside the Blackout Period, without first obtaining approval from the Trading Compliance Officer. The Trading Compliance Officer may deny pre-clearance as appropriate to promote compliance with this policy and applicable securities laws, and need not disclose the basis for the denial.

(d) No Safe Harbor. There is no unconditional safe harbor for trades made at a particular time. Even outside the Blackout Period, and even with pre-clearance, no person subject to this policy may trade while aware of material nonpublic information.

8. Company Repurchases of its Own Securities

The Company may, from time to time, repurchase its own securities. Any such repurchase program will be authorized by the Board (or a committee or officer designated by the Board) on such terms, timing, and volume parameters as the Board determines, and will be conducted in compliance with the applicable manner, timing, price, and volume conditions of the Rule 10b-18 safe harbor under the Exchange Act for issuer repurchases. The Company will not commence or resume repurchases under such a program during a Blackout Period or at any other time when the persons directing the repurchase program are aware of material nonpublic information concerning the Company.

9. Administration

(a) Trading Compliance Officer. The Company's in-house counsel and Corporate Secretary, or such other person as may be designated by the Chief Executive Officer or the Board of Directors, shall serve as the Trading Compliance Officer. The Trading Compliance Officer is responsible for administering this policy, maintaining the list of Restricted Insiders, granting or denying pre-clearance requests, and providing guidance on this policy. The Trading Compliance Officer may not pre-clear their own transactions, which must instead be pre-cleared by another officer or director designated by the Chief Executive Officer or Board of Directors.

(b) Reporting Violations. You should promptly report known or suspected violations of this policy, including self-reports, to the Trading Compliance Officer.

(c) Consequences of Violation. Failure to comply with this policy may result in Company-imposed discipline, up to and including termination, regardless of whether the conduct also violates law. Violations of the federal securities laws can separately result in serious civil and criminal penalties.

(d) Post-Termination Applicability. The restrictions in this policy continue to apply after your service with the Company ends for so long as you possess material nonpublic information obtained in connection with your service to the Company.