

# **First Trinity Financial Corporation**

## **Code of Conduct**

### **I. Ethical Business Conduct and Good Business Practices**

High standards of behavior, ethical business conduct and good business practices are required of all employees, officers and directors, regardless of position or location. No director, officer, or employee has the authority to require conduct that is in violation of this Code of Conduct. This Code of Conduct is designed to deter wrongdoing and, among other things, requires:

1. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
2. Full, fair, accurate, timely and understandable disclosure in reports and documents that First Trinity Financial Corporation files with, or submits to, the Securities and Exchange Commission and in other public communications made by the company;
3. Compliance with applicable governmental laws, rules and regulations;
4. The prompt internal reporting to an appropriate person or persons of violations of the Company's standards and policies; and
5. Accountability for adherence to the standards and policies.

All employees and directors must adhere to these ethical business practices and understand the importance of compliance. The company has designated individuals who are available to assist in resolving issues that may arise. If you are unsure whether a situation constitutes improper business conduct, seek advice from any of a number of contacts, including the Compliance Director, the Comptroller, external auditors and legal counsel of the Company. You may also call the Company's hotline at 1-888-883-1499. Calls to this number may be kept anonymous if you prefer. Calls to this number are answered by an independent, third-party company which will report all complaints and concerns directly to the Audit Committee of the Board of Directors.

This Code of Conduct and the Company's other policies and procedures are applicable to all officers (including the senior financial officers of the company) and employees and, to the extent appropriate, all directors, of First Trinity Financial Corporation and of each of its direct or indirect subsidiaries (collectively, the "Company"). Compliance with the Code, as in effect from time to time, and the Company's other policies and procedures is a condition of employment and continued employment with the Company. Likewise, we expect our Agents, contract employees, contractors and others with whom we do business to conduct themselves in all of their dealings with us or on our behalf according to these same high standards.

### **II. Compliance**

## **A. General Compliance**

Our reputation depends on public confidence in the Company's integrity and devotion to the interests of our policyholders, clients and shareholders. We are determined to justify that confidence by maintaining the highest standards in the conduct of our affairs and avoiding any appearance of impropriety.

## **B. Legal and Regulatory Compliance**

The insurance and financial services businesses are heavily regulated industries that are subject to a variety of state and federal laws. These laws include state laws and regulations pertaining to the business of insurance, federal laws and regulations pertaining to securities, fiduciary duties, money laundering and corporate governance and state and federal privacy, antitrust, environmental, health and safety and employment laws. Regulation of our insurance and financial services businesses include matters affecting pricing, marketing and sales, advertising, policy forms, underwriting and risk selection, financial transactions, accounting and reporting, processing funds, policy issue and administration, complaints and claim handling. It is our philosophy and intention to comply fully with all applicable laws and regulations. Although employees are not expected to be experts in legal or regulatory matters, they are expected to be familiar with the laws and regulations pertaining to their areas of responsibility, and to contact the Compliance Director whenever a question arises concerning the necessary course of action to assure that the Company is in compliance with applicable laws.

## **C. Policy on Financial Integrity**

Financial records and reports shall reflect the Company's commitment to financial integrity. Financial integrity comprises three elements:

- (1) Compliance with applicable laws, regulations and Company policies. This element requires that the Company's general accounting procedures be followed, as well as all generally accepted accounting principles, statutory accounting principles, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts.
- (2) Rigorous business processes and internal controls to ensure that financial disclosures and management decisions are based on complete and accurate information. This element requires the maintenance of complete, accurate and timely books and records and maintenance of sound processes and controls.
- (3) Integrity in communications to ensure timely and accurate reporting and analysis of financial information and forthright and candid disclosure to management, regulators and shareholders. This element requires open and frank internal communications and complete, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission, insurance departments of various states and other regulators and in other public communications.

## **D. Insider Trading and Stock Tipping**

Insider trading and stock tipping are criminal offenses. Directors and employees must strictly obey all laws prohibiting the trading of securities based on inside information, that is, prior

knowledge of material, non-public information about the Company. "Insider trading" means using inside information for personal profit. "Stock tipping" means disclosing inside information about the Company, for example, to a relative, colleague or friend, to enable that person to buy or sell stock of the Company on the basis of such information. If you are in possession of inside information that could influence an investor's decision to purchase or sell a security, you must not act upon that information or pass the information along to others. You may not trade the Company's stock, nor the stock of any other company for which you acquired non-public information, nor recommend to others that they trade in such stock, until such information has been publicly disclosed.

#### **E. Privacy Policy**

In an information-based society, individual policyholder information, medical, financial and other sensitive personal information must be adequately protected. We are committed to protecting personal information that we collect from or maintain about policyholders or others, including employees. Each of us must take care to protect individually identifiable policyholder information and other sensitive personal information, including with respect to employees, from inappropriate or unauthorized use or disclosure.

#### **F. Money Laundering Prevention**

People who are involved in criminal activities, including but not limited to terrorists, may try to "launder" money. Money laundering schemes essentially take "dirty" money that comes from criminal activity and passes it through legitimate businesses, creating "clean" money that appears to come from reputable sources. We will comply fully with all applicable anti-money laundering laws and will conduct business only with reputable customers who are involved in legitimate business activities and whose funds are derived from legitimate sources. All employees need to be aware of the Company's anti-money laundering policy and to enforce the procedures of such policy.

### **III. Conflict of Interest/Outside Activities**

#### **A. Conflict of Interest**

Directors and employees should avoid all situations that present or create the appearance of a conflict between personal interests and those of the Company. This includes any situation in which your personal interest in a matter is or may be inconsistent or incompatible with an employee's obligation to exercise best judgment on behalf of the Company. You should never extend preferential treatment to a customer or a potential customer or any other person in exchange for personal gain. If a potential conflict of interest arises, or if a particular situation presents the potential for, or the appearance of, a conflict of interest, you must disclose the situation to management (preferably in writing).

Employees may not offer, solicit or accept bribes, kickbacks or other similar types of payment or payments in kind to or from an individual vendor or organization doing business, seeking to do business, or competing with the Company, or to or from any other person. Receipt of such offers should be immediately reported to appropriate management,

#### **B. Entertainment and Gifts**

Offers or receipt of gifts, gratuities, meals or entertainment may create conflicts of interest.

Employees may not accept gifts or gratuities of more than nominal value, or benefit from meals and entertainment, except in moderation and consistent with accepted goodwill building practices. Questions concerning the appropriateness of gifts, gratuities, meals or entertainment from or to third parties or from sources within the company should be referred to management. The Company reimburses employees for legitimate and reasonable business and entertainment expenses. These expenses should be incurred and reported in compliance with the Company's reimbursement policies. Employees should submit receipts or other appropriate documentation on expense reports.

### **C. Directorships and Positions with Other Organizations and Businesses**

From time to time, employees have the opportunity to accept a directorship, trusteeship or other position with an outside organization. These may involve community or charitable organizations, educational institutions, professional groups, or publicly held or private businesses. While the Company generally encourages involvement in community and professional organizations by employees, advice on assuming specific positions should be sought from management. You may not serve in any such capacity with a company that in any way competes or does business with the Company without the consent of the Compliance Director, or with a public company without the consent of the Chief Executive Officer.

### **D. Non-Solicitation**

Employees may not, directly or indirectly, during the term of their employment with the Company, hire, cause to be hired away, solicit, entice away or interfere with the Company's relationship with, any of its policyholders, customers, clients, Agents, employees or others, or in any way assist or encourage a third party to do so. Certain employees, through individual agreements or other considerations, will have these non-solicitation provisions extend beyond the period of their employment with the Company.

## **IV. Confidentiality and Disclosure of Information**

### **A. Disclosure of Non-Public Information**

Because of our positions within the Company, we may from time to time have knowledge of or access to non-public information about the Company. In such cases we have a duty to keep this information confidential and not to use it except for the benefit of the Company. Disclosure or other improper use of non-public information about the Company is a violation of this Code of Conduct and your duty of loyalty to the Company, and may be a breach of securities or other laws and carry significant personal and corporate penalties.

### **B. Proprietary Information**

The responsibility belongs to each of us to protect the confidentiality of proprietary Company information, policyholder or other personal information, computer vendors' software and other confidential or proprietary information. Any contractual agreements must be treated as trade secrets belonging to the Company. All sales material or marketing material is proprietary information.

### **C. Ownership of Work Product**

Any work product created on Company time and/or using Company resources or information or

work created at the direction of Company officials or in connection with or related to company business, shall be the sole and exclusive property of the Company. All rights and privileges associated with such work product will be exclusively the Company's to own, sell or lease, at its sole discretion.

## **V. Workplace Conduct**

### *A. Conduct of Employees*

Rules and regulations regarding employee conduct are necessary for the proper operation of the Company and for the benefit and safety of all employees. Appropriate employee conduct extends beyond the workplace environment to any business or work-related functions or activities which may reflect on the Company. Conduct that interferes with operations, discredits the Company, is inappropriate or interferes with the efficient and legitimate use of corporate assets, will not be tolerated.

### **B. Employment-At-Will**

The Company is an employment-at-will company. An employee can choose to leave the Company at any time. The Company can terminate an employee's employment and his/her compensation at any time. No officer or representative of the Company, other than the president and CEO of the Company has any authority to enter into any agreement for employment for any specific period of time or to make any agreement to the foregoing.

### **C. Policy Against Harassment**

Employees must conduct themselves in a manner acceptable to the Company and its employees. Conduct which is not acceptable may be considered a basis for termination. We are committed to a workplace free of harassment, including harassment based on race, color, religion, age, gender, sexual orientation, national origin, ancestry or disability. Harassment includes verbal or physical conduct designed to threaten, intimidate or coerce. Sexual harassment is defined as "unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature." Individuals who feel aggrieved should raise this issue with management, or the Compliance Director, and may do so without fear of embarrassment or reprisal. Management is responsible for monitoring behavior which can be construed to be harassment and for initiating action to eliminate such behavior. Employees engaged in harassment practices will be disciplined appropriately. Such disciplinary action may include termination.

### **D. Policy Against Fraud**

The Company does not tolerate fraudulent behavior, including fraudulent financial reporting, and will promptly investigate any possibility of such dishonest activity and, when appropriate, will pursue legal remedies available under the law. When suspected fraudulent incidents or practices are observed by, suspected by, or made known to an employee, it is the employee's responsibility to report it. The employee may report directly to his/her supervisor, the next higher level of management, the Compliance Director, or by calling the Company's third party reporting hotline, at 1-888-883-1499.

## **VI. Enforcement**

### **A. Enforcement**

The responsibility for adherence to and enforcement of this Code of Conduct lies with each of us. It is our duty to report potential violations of this Code of Conduct or other Company's policies to management. If you do not believe that the matter has been adequately handled, it should be reported in writing to the Compliance Director or in appropriate circumstances involving issues regarding the integrity of the Company's financial statements, to the Chairman of the Audit Committee of the Board of Directors. Such matters may also be reported anonymously to an independent, third-party company, by calling 1-888-883-1499.

### **B. Non-Retaliation**

In no event will the Company tolerate harassment of or discrimination or retaliation against any person who in good faith reports a potential violation of this Code of Conduct or any other policy of the Company. Any employee who engages in any such harassment, discrimination or retaliation, or any supervisor who permits such conduct, shall be subject to immediate dismissal. Reprisals or retaliation of any kind should be reported to the Compliance Director. Any employee who reports a potential violation or a reprisal and feels that the response was inadequate, should notify in writing the Chief Executive Officer of the Company.

### **C. Waivers**

In the unusual circumstance where a waiver of this Code of Conduct or other policies may be appropriate, such waivers may only be granted by the Compliance Director, except that waivers with respect to any executive or senior financial officer or director may only be made by the Nominating and Corporate Governance Committee of the Board of Directors of the Company. Any such waivers must be in writing, with a copy to the Compliance Director. Waivers of or amendments to this Code of Conduct applicable to executive officers or directors shall be publicly disclosed in accordance with legal, regulatory or stock exchange listing requirements.

### **D. Investigation and Disposition**

Investigations of potential violations of this Code of Conduct or other policies of the Company shall be conducted fairly and expeditiously. Employees whose conduct is questioned shall be afforded a fair opportunity to explain their conduct. Violations of the Code of Conduct or other policies of the Company may result in disciplinary action, up to and including immediate dismissal, criminal prosecution and civil litigation. Violations by any executive or senior financial officer of the Company shall be reported to the Nominating and Corporate Governance Committee and, if appropriate, to the Audit Committee of the Board of Directors. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's financial reporting, disclosure or internal controls shall be reported to the Audit Committee. The Company will advise law enforcement agencies of any criminal violations and assist in prosecution of those responsible. The Company reserves the right to take any and all actions which, in its sole discretion, are warranted given the facts and circumstances of each situation.