First Trinity Financial Corporation

Corporate Governance Policy

1. **Director Independence.**

A majority of the directors will be independent, and each year the Board will affirmatively determine that each such independent director has no material relationship with the Company. That determination will be set forth in our proxy statement. When evaluating the independence of each of the Company's directors, the Board will broadly consider all relevant facts and circumstances that may bear on that director's independence. The Board has adopted the following categorical standards to assist it in determining the independence of Board members, which include those standards established by the New York Stock Exchange for its listed companies.

A director is not independent if:

- The director is, or has been within the last three years, an employee of the Company, or an immediate family member is, or has been within the last three years, an executive officer of the Company.
- The director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than $100,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service). Compensation received by a director's immediate family member for service as an employee of the Company (other than an executive officer) will not be considered in determining independence under this test.
- (i) The director or an immediate family member is a current partner of a firm that is the Company's internal or external auditor; (ii) the director is a current employee of such a firm; (iii) the director has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (iv) the director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the Company's audit within that time.
- The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee.
- The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million, or 2% of such other company's consolidated gross revenues.

For the purposes of these guidelines, an “immediate family member” means a person’s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person’s home, but excluding anyone who is no longer an immediate family member as a result of legal separation, divorce, or death or incapacitation.

If the Company makes charitable contributions to any tax exempt organization in which a director of this Company serves as an executive officer, the Board will consider the materiality of the relationship if the amount paid to the tax exempt organization exceeds the greater of $1 million, or 2% of such organization's consolidated gross revenues.

Directors have an affirmative obligation to inform the Board of any circumstances or relationships that may impact their designation by the Board as “independent”, including any material changes in such circumstances or relationships.

2. Board Committees.

The Board shall establish such committees as it shall determine to be appropriate from time to time, but shall at all times have a standing Audit Committee, a standing Compensation Committee and a standing Nominating and Corporate Governance Committee. Each of such required committees shall consist of not less than two independent directors. Each committee shall have such duties and responsibilities as are assigned to it from time to time by the Board of Directors and, with respect to standing committees, as are set forth in its respective charter. The charters for standing committees shall be reviewed and approved by the Board at least annually.

3. Limit to Board Service.

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serve on the Board for an extended period of time. Directors should offer their resignation in the event of any significant change in their personal circumstances, including a change in their principal job responsibilities.

In determining whether directors have and are devoting sufficient time to their duties and responsibilities, consideration shall be given to the number of companies on whose boards of directors such directors are serving.

4. Director Responsibilities.

The Board of Directors is elected by the shareholders to oversee management and to ensure that the long-term interests of the shareholders are being served. In considering the long-term interests of shareholders, the Board recognizes the importance of considering and addressing the interests of the Company’s other major constituents, including policyholders, employees and the communities in which the Company conducts its business.

The Board holds four regularly scheduled meetings during the year, at which it reviews and discusses reports by management on the performance of the Company, its plans and prospects, as well as immediate issues facing the Company. In addition to its general oversight of management, the Board or its Committees also perform a number of specific functions, including:

- reviewing, advising, approving and monitoring fundamental financial and business strategies and major corporate actions;
- assessing major risks facing the Company, and reviewing options for their mitigation;
- selecting, evaluating and compensating the CEO and overseeing CEO succession planning:
- providing advice and counsel to the CEO and senior management;
- providing counsel and oversight on the selection, evaluation, development and compensation of senior management; and
- ensuring processes are in place for maintaining the integrity of the Company, including the integrity of the financial statements.

Members are expected to attend in person the Annual Meeting of Shareholders, all Board meetings and meetings of committees on which they serve, other than meetings specifically arranged to be conducted by all members telephonically. Members generally are provided advance material before regularly scheduled meetings, and they are expected to have reviewed the material and be familiar with its content at the meeting. Members are encouraged to contribute suggested topics for discussion and consideration at future Board meetings.

5. Director Access to Management and Independent Advisors.

The Board of Directors has full access to members of management. Key members of management report at Board and committee meeting, providing directors with additional insight to matters being discussed. Additionally, the Board encourages the involvement of managers who have senior management potential, enabling the Board to have a greater familiarity with individuals for succession planning purposes.

The Board and its committees have the authority, at the Company's expense, to engage independent legal counsel, consultants or other external expert advisors.

6. Director Compensation.

The Compensation Committee of the Board is responsible for evaluating and recommending to the Board appropriate compensation for members of the Board and its committees.

In establishing and evaluating compensation levels, the Committee may consider the relative responsibilities of directors serving on the Board and its committees. The Committee may also consider levels of compensation and perquisites in relation to other companies, the effectiveness of the Board as determined through the annual self-assessment process, the number of meetings held, the demands and responsibilities of board members and other factors it deems appropriate.

Directors who are also employees of the Company are not compensated for their services as directors.

7. Annual Performance Evaluation of the CEO, CEO Compensation and Management Succession

The Board of Directors shall annually conduct an evaluation of the Chief Executive Officer of the Company. This process shall be reviewed by the Nominating and Corporate Governance Committee, in coordination with the Compensation Committee. The Nominating and Corporate Governance Committee shall ensure the implementation of the evaluation process. The Chief Executive Officer's compensation shall be determined by the Board in consideration of the recommendation of the Compensation Committee. The Compensation Committee shall make such recommendations in light of the corporate goals and objectives relevant to such compensation, the evaluation of the Chief Executive Officer's performance in light of these goals, and such other factors as it shall determine.

The Nominating and Corporate Governance Committee is required to ensure that the CEO conducts a periodic review with the Board of the succession plans relating to positions held by executive officers of the Company. The Board will work with this committee to evaluate potential successors to the CEO, including in the event of an emergency or retirement.

8. Annual Performance Evaluation of the Board and its Committees.

The Board and each of its standing committees will perform an annual self-evaluation to determine whether the Board, the committees and the individual directors are functioning effectively. The Nominating and Corporate Governance Committee is responsible for initiating and reporting to the Board on the results of the evaluation process.

9. Code of Ethics.

To the extent appropriate, the Company's Code of Ethics and other corporate policies shall be applicable to each director of the Company. In the unusual circumstances where a waiver for a director of the Code of Ethics or other policies may be appropriate, such waivers require approval of the Nominating and Corporate Governance Committee.

10. Waivers and Exceptions.

Waivers or exceptions to these Corporate Governance Guidelines may only be made by the Board of Directors.