

First Trinity Financial Corporation

Policy with Respect to Related Person

Overview

First Trinity Financial Corporation (the “Company”) recognizes that Related Person Transactions (as defined below) present a heightened risk of conflicts of interest and therefore has adopted this policy relating to the review, approval or ratification of such transactions. The Company's Code of Conduct contains provisions relating to conflicts of interest generally, and all situations/transactions that present, or create the appearance of, a conflict between personal interests and Company interests are subject to the Code of Conduct. The procedures set forth in this policy do not satisfy or supersede the Code of Conduct and transactions subject to this policy shall be considered in light of such Code and all other applicable laws, stock exchange regulations and Company policies.

Administration

Related Person Transactions will be reviewed, approved and/or ratified by the Board of Directors, acting through the Audit Committee (the “Committee”), except that, in the event Company management determines that it is impractical or undesirable to wait until a Committee meeting to consummate a Related Person Transaction, the Chair of the Audit Committee (or the Independent Presiding Director, in the event the Chair or any of his or her immediate family members is the Related Person) shall have the authority to review and approve the transaction. The Chair of the Committee, or Independent Presiding Director, as applicable, shall report to the Committee at the next Committee meeting any approval under this policy pursuant to delegated authority. No member of the Committee shall participate in any review, approval or ratification of a Related Person Transaction with respect to which such member or any of his or her immediate family members is the Related Person.

This policy has been approved by the Board and the Committee and the Committee may review and amend the policy from time to time.

Definition of Related Person Transaction

A “Related Person Transaction” is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships), including any indebtedness or guarantee of indebtedness, in which the Company (including any of its subsidiaries) was, is or will be a participant, the amount involved exceeds \$100,000, and in which any Related Person had, has or will have a direct or indirect material interest. Examples of an indirect material interest may include transactions involving the Company and entities in which a Related Person is a controlling person (such as a partner or an officer) or of which such Related Person holds 10% or more of the equity interests.

A “Related Person” is:

1. any person who is, or at any time since the beginning of the Company's last fiscal year was, a director or executive officer of the
2. Company or a nominee to become a director of the Company; any person who is known to be the beneficial owner of more than 5% of any class of the Company's voting securities; and any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the director, executive officer, nominee or more than 5% beneficial owner, and any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee or more than 5% beneficial owner.

Identifying Related Person Transactions

The Company will take such steps as it deems reasonable and appropriate to identify Related Person Transactions, which shall include:

- distributing (as soon as reasonably practicable following the completion of each fiscal year) a formal questionnaire to all executive officers, directors and nominees that requires the individual to evaluate and disclose whether or not during the preceding fiscal year they were involved in, or aware of, any Related Person Transaction;
- posting this policy on its website;
- periodically distributing this policy to its executive officers, directors and nominees; and
- periodically making internal inquiries regarding Company relationships with known entities that qualify as Related Persons. It shall be the responsibility of the individual executive officer, director and nominee to report to the General Counsel and/or the Committee any potential Related Person Transaction.

Whether the Related Person's interest in a transaction is material or not will depend on all facts and circumstances, including whether a reasonable investor would consider the person's interest in the transaction important, together with all other available information, in deciding whether to buy, sell or hold the Company's securities. In preparing the Company's SEC filings and in determining whether a transaction is subject to this policy, the Company's General Counsel is entitled to make the determinations of whether a particular relationship constitutes a material interest by a Related Person. In administering this policy, the Committee shall be entitled (but not required) to rely upon such determinations of materiality by the Company's General Counsel.

Approval/Ratification Procedures

In the case of each Related Person Transaction, the following information shall be provided to the Committee or Chair:

- the identity of the Related Person and the relationship between the director, executive officer, nominee or beneficial owner and Related Person, and
- the material terms of the proposed Related Person Transaction, including: (i) the Related Person's interest in the transaction; (ii) the nature of the transaction, including the proposed aggregate value of such transaction or, in the case of indebtedness, the amount

of principal that would be involved; (iii) the cost, benefits and risks, if any, to the Company of the proposed Related Person Transaction; (iv) if applicable, the availability of other sources of comparable products or services and whether these were evaluated prior to making the decision regarding the transaction; (v) an assessment of whether the proposed Related Person Transaction is on terms that are comparable to the terms that could be obtained from or are available to an unrelated third party or to employees generally; and (vi) such other information as is deemed reasonable and necessary by Committee or Chair.

In evaluating a Related Person Transaction, the Committee or Chair shall consider all of the relevant facts and circumstances available to the Committee or the Chair and shall approve or ratify only those Related Person Transactions that are in, or are not inconsistent with, the best interests of the Company and its stockholders, as the Committee or the Chair determines in good faith.

To the extent feasible, a Related Person Transaction that is identified as such in advance shall be submitted to the Committee or Chair for review in advance of the transaction's consummation. In the event the Company becomes aware of a Related Person Transaction that has not been previously approved or ratified under this policy, the matter shall be submitted promptly to the Committee or Chair for consideration. In such event, the Committee or the Chair shall evaluate all options, including but not limited to ratification, amendment or termination of the Related Person Transaction. The Committee or the Chair also shall evaluate the facts and circumstances pertaining to the failure of such transaction to have been presented to the Committee or Chair in advance and take such corrective action as it deems appropriate under the circumstances.

Any Related Person Transaction submitted to the Committee or its Chair for its review, whether or not approved, shall be reported to the Board. Notwithstanding the foregoing, the Company or any of its subsidiaries may employ a Related Person in the ordinary course of business consistent with the Company's policies and practices with respect to the employment of non-Related Persons in similar positions without approval or ratification by the Committee.

Public Reporting

All Related Person Transactions that are required to be disclosed in the Company's filings with the SEC, as required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and related rules and regulations, shall be so disclosed in accordance with such laws, rules and regulations. The Company shall identify in such filings any disclosed Related Person Transaction that was not reviewed, approved or ratified pursuant to this policy.

The material features of this policy shall be disclosed in the Company's annual report on Form 10-K or in the Company's proxy statement, as required by applicable laws, rules and regulations.