

# **CODE OF BUSINESS CONDUCT AND ETHICS**

## **INTRODUCTION**

This Code of Business Conduct and Ethics (“Code”) governs the actions and working relationships of First Financial Corporation, its subsidiaries and affiliates (the “Company”). It provides a framework for maintaining our high standard of professional conduct. Honesty, integrity and the sound judgement of our Directors (“Directors”), Officers and Employees (“Associates”) is essential to the reputation and success of the Company.

## **USING THIS CODE**

This Code sets forth the minimum standards by which all Directors and Associates of the Company should conduct themselves. It does not, nor is it intended to, cover every situation, question, law, rule or regulation. Compliance with the spirit, as well as the letter of this Code, is essential. Any questions concerning this code should be directed to the Senior Compliance Officer.

## **PRINCIPLES ENDORSED BY THE COMPANY**

We require our Directors and Associates to:

- Comply with all laws, rules, regulations and Company policies;
- Be honest, trustworthy and fair in all actions and relationships with and on behalf of the Company;
- Maintain books and records honestly, accurately and in accord with acceptable accounting practices;
- Avoid situations in which individual personal interests conflict, may conflict or may appear to conflict with the interests of the Company;
- Secure business for the Company on the basis of an honest, competitive market process;
- At all times maintain an appropriate level of confidentiality with respect to the information or data of the Company, our customers or suppliers;
- Protect the Company’s assets and help maintain their value;
- Act professionally and respect the dignity of others; and,
- Contribute to the effectiveness of this Code by notifying supervisors, managers, the Senior Compliance Officer or other appropriate personnel of violations or possible violations.

## **CONFLICTS OF INTEREST**

Directors and Associates have a duty of loyalty to the Company and therefore must avoid any actual or apparent conflicts of interest. A “conflict of interest” occurs when your private interest interferes or appears to interfere in any way with the interests of the Company. A conflict of interest may arise when a Director or Associate takes an action or has interest that makes it difficult to objectively or effectively perform his or her duties for the Company. Directors and Associates must make business decisions for the Company free of conflicting influences. You are expected to avoid situations that may lead to real or apparent material conflicts between your self-interest and your duties or responsibilities as a Director or Associate of the Company. Any position or interest, financial or otherwise, which can materially conflict with your performance as a Director or Associate of the Company or which affects, or could reasonably be expected to affect, your judgement concerning transactions between the Company, its customers, vendors, competitors, or which otherwise reflects negatively on the Company, should be considered a conflict of interest. Directors and Associates are required to disclose conflicts and potential conflicts, as well as relationships with customers, prospects and vendors. Directors should bring conflicts or potential conflicts, to the attention of the Board of Directors. Associates should consult with their immediate supervisor, the Senior Compliance Officer or the Chief Executive Officer.

## **CONFIDENTIAL OR PROPRIETARY INFORMATION**

Confidential or Proprietary Information may not be disclosed to others except when disclosure is authorized by the Company or legally required.

## **CONFIDENTIAL INFORMATION**

All Directors and Associates of the Company are entrusted with Confidential Information. “Confidential Information” means all oral and written communications relating to the Company, its customers, suppliers, shareholders, other Associates or Directors of the Company which you acquire during the scope of your employment or directorship and which is not otherwise available to the general public. This includes not only information you acquire from third parties, but also produced by you as an Associate or Director of the Company, including, but not limited to, all trade secrets and proprietary information of the Company, customer information (including, but not limited to, names, addresses, telephone, fax, social security numbers, financial information and the scope of the relationship with the Company); knowledge of the customer’s requirements, pricing methods, product mix, sales and marketing techniques, prospect lists, supplier relationships and agreements; computer data and programs; documentation, processes and know-how used in or pertaining to the Company’s business.

Any Confidential Information acquired by a Director or Associate shall be used in connection with his or her duties, solely for Company purposes and not for personal gain. Each Director or Associate shall not, unless required by law or authorized in writing by the Company’s Chairman or CEO, disclose or provide Confidential Information to any third party, shall not use any Confidential Information for the benefit

of any party other than the Company and shall not use any Confidential Information to compete with the Company or in a manner detrimental to the Company. Disclosure of Confidential Information between Directors and Associates shall be limited to those who have a need to know such Confidential Information to discharge their duties to the Company.

Associates may be required to execute a specific Confidentiality Agreement in the course of their employment with the Company. Whether a Director or Associate signs such an Agreement or not, each has an obligation to maintain the confidentiality of the information entrusted to them.

The obligation of confidentiality continues even if employment or directorship with the Company ends.

### **PROPRIETARY INFORMATION**

Certain types of information may not be confidential, but may still be proprietary property of the Company. Directors and Associates acknowledge that while employed by or while serving as directors or employees of the Company, all work produced is and shall remain the sole and exclusive property of the Company. Even though information such as customer and prospect names, presentation materials, marketing materials, product information, business methods or processes may otherwise be available to the general public, it remains the property of the Company and individual Associates or Directors shall have no personal rights to such information or products either during or after employment or directorship with the Company.

### **DATA SECURITY**

It is the policy of the Company to protect its systems and data by controlling access to such systems and data. The Company establishes and administers documentation and data security policies, procedures and controls. Access to Company systems and data must be authorized accordingly.

The Company's data processing systems and data are private and confidential, and may be accessed or updated according to the specific authority given. Any unauthorized access, update or use of the Company systems or data is strictly prohibited. Furthermore, Associates must protect the integrity of all systems and data for which they are authorized to access or update and will divulge information related to such systems or data only to those having an authorized business requirement. Associates will not compromise access to such systems or data by communicating identifications and/or passwords to anyone.

### **INSIDER TRADING**

It is both illegal and unethical to buy, sell, trade or otherwise participate in transactions involving the Company's common stock while in possession of material information concerning the Company that has not been disclosed to the general public, but when

released, may have an impact on the market price of the Company's common stock. Directors or Associates who have access to such information are not permitted to use or share that information for stock trading purposes or for any other purpose except to conduct the Company's business. Financial information regarding the Company is not to be communicated in any way to any person unless it has been published in reports to the Company's shareholders or otherwise made generally available to the public. Information is made generally available to the public after the information has been disseminated to the public for at least two full business days. This does not preclude communication of information necessary for continuing operations to Associates or Directors. All non-public information about the Company should be considered Confidential Information.

To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of that information is not only unethical, but is also illegal.

### **CORPORATE OPPORTUNITIES**

A Director or Associate may not take for himself or herself opportunities that are discovered through the use of the Company's property, information or their position. Directors and Associates owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

Directors and Associates should not:

- (i) Personally benefit from opportunities that are discovered through their employment or directorship with the Company.
- (ii) Except as provided below, solicit, demand, accept or agree to accept anything of value from any person in conjunction with the performance of their directorship, employment or duties with the Company. However, there are certain situations in which Directors or Associates may accept or provide a personal benefit to someone with whom they transact business, on behalf of the Company, such as:
  - a. Accepting a nominal gift in recognition of a commonly recognized event or occasion (such as a promotion, birthday, wedding, retirement or holiday) so long as the gift, together with all gifts received from any one individual or company, does not exceed \$300.00 in any calendar year;
  - b. Accepting something of value if the benefit is available to the general public under the same conditions on which it was made available to the Director or Associate;
  - c. Accepting meals, refreshments, travel arrangements, accommodations and entertainment of reasonable value in the course of a meeting or other occasion to conduct or foster business relations if the expense would be reimbursed by the Company under its policy for

reimbursement of business expenses if the other party did not pay for it; and,

- d. Paying for meals, refreshments, travel arrangements, accommodations, and entertainment of reasonable value in the course of a meeting or other occasion to conduct business or foster relationships if the expense is reimbursed by the Company under its policy for reimbursement of business expenses.
- (iii) Personally act on behalf of the Company in any transaction in which they or their immediate family have a significant direct or indirect financial interest. However, Directors or Associates may directly or indirectly sell, purchase or lease property or services to or from the Company if:
- a. The transaction is in the ordinary course of business on terms and conditions generally available to the public, less any standard Company-approved discounts;
  - b. The transaction is fair and reasonable to the Company at the time it was approved and the Director or Associate discloses details of the transaction or gets prior written approval from the Chief Executive Officer or the Senior Executive Officer of the subsidiary for which he or she works or holds a directorship.
- (iv) Accept a cash gift.

## **DISCLOSURE**

Associates must disclose prior to the time of hire, the existence of any Employment Agreement, Non-Compete, Non-Solicitation Agreement, Confidentiality or similar agreement. Copies of such agreement(s) shall be provided to the Director of Human Resources to permit evaluation of the agreement(s). In no event shall an Associate use any trade secrets, proprietary information or other similar property, acquired in the course of his or her employment with another employer or in the performance of his or her duties for or on behalf of the Company.

## **SERVING AS A FIDUCIARY**

The Company's banks are engaged in the business of serving as Executor, Trustee and Guardian of estates of individuals. Associates are encouraged to recommend these services. Associates may serve as fiduciaries for members of their own families. With respect to any other person, employees should not seek nor accept appointment to any other fiduciary or co-fiduciary position without the written approval of the CEO or in the case of Executive Officers, the Board of Directors.

## **PROTECTION AND PROPER USE OF COMPANY PROPERTY**

All Directors and Associates should protect Company property and assets and ensure their efficient and proper use. Theft, carelessness and waste can directly impact the Company's profitability, reputation and success. Permitting Company property (including data transmitted or stored electronically in computer resources) to be damaged, lost or used in an unauthorized manner is strictly prohibited.

Directors and Associates may not use Company or other official stationary for unauthorized personal purposes.

## **COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

Directors and Associates should be aware of the laws and regulations applicable to the Company. It is the policy of the Company to comply with all applicable laws, including, without limitation, employment, discrimination, health, safety, anti-trust, securities and environmental laws. No Director or Associate of the Company has authority to violate any law or to direct another person to violate any law on behalf of the Company.

Any Director or Associate who has been convicted of or pleaded guilty to a felony, or who has been sanctioned by a regulatory agency, must immediately report the same in writing to the CEO.

Certain of the Company's business units have policies and procedures governing topics covered by this Code. These policies and procedures reflect the special requirements of these business units.

Directors and Associates must honestly and fairly respond to specific inquiries of the Company's independent public accounting firm, any regulatory agencies and the Company's internal Audit Department.

## **OUTSIDE BUSINESS RELATIONSHIPS**

Directors should disclose all new directorships or potential directorships to the Chairman of the Board of Directors in order to avoid any conflicts of interest and to maintain independence.

The Company encourages civic, charitable, educational and political activities as long as they do not interfere with the performance of duties with the Company. Before agreeing to participate in any such activities, Associates should contact the Senior Compliance Officer and their immediate supervisor.

Associates who are considering outside employment should notify the Human Resources Director and their immediate supervisor. The Human Resource Director will review outside employment requests for potential conflicts of interest.

Employees in some positions of the Company may be prohibited by law from holding outside employment.

## **RECORDKEEPING, ETC.**

The Company requires honest, full, accurate, fair, understandable and timely recording and reporting of information in the periodic reports required to be made by the Company with the Securities and Exchange Commission and other regulators and in order to make responsible business decisions.

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's system of internal controls. No false or deliberately inaccurate entries shall be made for any reason.

Records should always be retained or destroyed, according to the Company's Record Retention Policy. If you have questions, please consult with the Senior Compliance Officer.

No undisclosed or unrecorded funds or assets shall be established for any purpose unless permitted by applicable laws, rules, regulations and accounting guidelines.

No false or misleading statements, written or oral, shall be made to an internal or external accountant, auditor, attorney or other representative with respect to preparation of the Company's financial statements or documents to be filed with the Securities and Exchange Commission, banking regulators, other governmental authorities or regulatory bodies.

## **REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOR**

Directors and Associates must report any known or suspected illegal or unethical behavior to their supervisor, manager, the Senior Compliance Officer or other appropriate personnel.

Concerns regarding questionable accounting or auditing matters may be reported by using the Company's **CONFIDENTIAL hotline** at 800-330-6175.

Associates and Directors shall cooperate in any internal investigation.

## **ADMINISTRATION**

This Code shall be administered and monitored by the Senior Compliance Officer. Any questions or further information concerning this Code should be directed to the Senior Compliance Officer.

All managers and direct supervisors are responsible for reviewing this Code with their subordinates annually and at each time a new edition of the Code is published. This Code of Ethics is also available on the Company's web site at [www.first-online.com](http://www.first-online.com).

It is the responsibility of the Senior Compliance Officer to annually reaffirm compliance with this Code by Directors and Associates and to obtain a signed acknowledgment that each Associate and Director has read and understands the Code and agrees to abide with its provisions. This Code will be issued to all new Associates at the time of employment and to all new Directors at the time each accepts directorship

Generally, there will be no waivers from this Code, however, in rare circumstances, waivers may be necessary. Waivers will be determined on a case-by-case basis by the CEO in his or her discretion. However, waivers for Directors and Executive Officers must be determined by the Board of Directors, who shall have sole and absolute discretionary authority.

Any waiver and the grounds for such waiver of Directors or Executive Officers shall be promptly disclosed as required by law or by NASDAQ.

### **PROTECTION AGAINST RETALIATION**

It is the policy of the Company not to allow retaliation in any form for reports of violations of this Code made honestly and in good faith, or for assisting in the investigation of a reported violation. Acts of retaliation should be reported immediately to the Senior Compliance Officer.

### **MISCELLANEOUS**

This Code reflects general principals to guide Directors and Associates and cannot and is not intended to address every specific situation. As such, nothing in this Code prohibits or restricts the Company from taking any disciplinary action on any matters pertaining to Associate or Director conduct, whether or not expressly discussed in this document.

This Code may be revised, changed or amended at any time by the Board of Directors, who shall have the exclusive responsibility for its final interpretation.

This Code is not intended to create any express or implied contract with any Director, Associate or third party.

A violation of this Code may result in disciplinary action including possible termination from employment with the Company without additional warning.

Please consult the First Financial Corporation Employee Handbook for other policies and procedures that may govern the conduct of Associates employed by the Company.

## ACKNOWLEDGEMENT

I hereby acknowledge that I have read, understand and agree to conduct myself in the scope of my employment or directorship in accordance with the First Financial Corporation Code of Business Conduct and Ethics.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_