



CODE OF ETHICS AND BUSINESS CONDUCT

First Capital, Inc.

This Code of Ethics and Business Conduct ('Code') represents an overview of the corporate policies that should govern the actions of all employees, officers and directors of First Capital, Inc. and its subsidiaries (collectively, the 'Bank'). This Code is not a replacement for policies and procedures that address the specifics of our business or which may impose stricter or more detailed requirements.

No code of conduct can cover every potential situation. This Code is designed to provide written standards to promote honest and ethical conduct, compliance with the law, and a vehicle for prompt internal reporting and accountability to assure adherence to this Code. It is the responsibility of each individual to apply the principles set forth in this Code in a serious and respectful fashion and with the exercise of good business judgment. Failure to adhere to the requirements of this Code and the policies and procedures set forth in it may result in disciplinary action up to and including dismissal.

Certain parts of this Code may apply to specific 'executive officers.' Executive officer means a member of the management of the Bank or a subsidiary of the Bank so designated by resolution of the Board of Directors.

The policies and procedures contained in this Code do not constitute a legal contract and may be changed, modified or discontinued from time to time without notice (except as required by law) and in the sole discretion of the Bank. Except as otherwise provided by written agreement or applicable law, persons employed by the Bank or its subsidiaries are employed at will, and the Bank reserves the right to take employment action, including termination, at any time, for any reason, without notice.



CONFIDENTIAL INFORMATION

Many employees learn confidential Bank information in the course of their jobs and use it to perform important functions. It is vitally important that all employees handle confidential information properly.

There are two major concerns:

- Preventing the release of unauthorized or inappropriate information that might adversely affect the Bank's business; and
- Avoiding violations of the law, particularly the securities laws relating to disclosure of material financial information before the information is made public.

What is Confidential Information?

What follows is not a complete list of what is considered to be confidential information, but it illustrates what is typically confidential unless it has been disclosed by the Bank in a securities filing, press release, or other authorized formal or official public communication:

- Financial results, budgets or forecasts;
- Business plans, operating plans, strategy statements, memos, operating manuals, organization charts and other internal communications;
- Bank investments, acquisitions or divestitures;
- New products, processes or designs;
- Whether a product or business is meeting financial or other expectations;
- Business relationships or the terms of any business arrangement, including prices paid or received by the Bank;
- Customer data such as customer names and addresses or any confidential personal or business information of the customer;
- Advertising and marketing plans and campaigns;
- Wages and salaries, bonus or compensation plans, notices to employees or unannounced personnel changes; and
- Personal information about any employee.

In general, if the Bank has not made public information about itself, it should be treated as confidential.



ADMINISTRATION OF THE CODE OF ETHICS AND BUSINESS CONDUCT

Every Employee Has an Obligation to:

- **Comply** with this Code of Ethics and Business Conduct, which prohibits violation of local, state, federal or foreign laws and regulations applicable to our businesses, and requires compliance with all Bank policies;
- **Be familiar** with laws and Bank policies applicable to his or her job and communicate them effectively to subordinates;
- **Ask questions** if a policy or the action to take in a specific situation is unclear;
- **Be alert** to indications and/or evidence of possible wrongdoing; and
- **Report** violations and suspected violations of this Code of Ethics and Business Conduct to the appropriate person as described in "How to Report a Violation" below, and elsewhere in this Code.

The Bank's managers have a particular responsibility to notice and question incidents, circumstances and behaviors that point to a reasonable possibility that a violation of this Code has occurred. A manager's failure to follow up on reasonable questions is itself a violation of Bank policy.

How to Ask a Question

Whenever possible, an employee should work with his or her immediate supervisor to get answers to routine questions.

If a supervisor's answer does not resolve a question, or if an employee has a question that he or she cannot comfortably address to his or her supervisor, he or she should go to the President and Chief Executive Officer of the Bank.

Executive officers and directors may bring any questions to the Chairman of the Board or the Chairman of the Audit Committee.

How to Report a Violation

Any employee having information about a violation (or suspected violation) of this Code should report the violation in writing to the President and Chief Executive Officer of the Bank. Executive officers and directors may submit any reports of violations (or suspected violations) of this Code in writing to the President and Chief Executive Officer of the Bank.

If the violation involves the President and Chief Executive Officer of the Bank, then the employee should report the violation by informing the Chairman of the Board or the Chairman of the Audit Committee.



Follow-up to the Report of a Violation

The President and Chief Executive Officer of the Bank may arrange a meeting with the employee to allow the employee to present a complete description of the situation. The President and Chief Executive Officer of the Bank will take the matter under consideration, including undertaking any necessary investigation or evaluation of the facts related to the situation and, after consultation with the appropriate individual, shall render a written decision, response or explanation as expeditiously as possible. Individuals who are alleged to be involved in a violation will not participate in its investigation.

Determining Whether a Violation Has Occurred

If the alleged violation of this Code concerns an executive officer or director, the determination of whether a violation has occurred shall be made by the Audit Committee of the Board of Directors, in consultation with the President and Chief Executive Officer of the Bank and/or such external legal counsel as the Audit Committee deems appropriate.

If the alleged violation concerns any other employee, the determination of whether a violation has occurred shall be made by the President and Chief Executive Officer of the Bank and/or such external legal counsel as the President and Chief Executive Officer deems appropriate.

In determining whether a violation of this Code has occurred, the committee or person making such determination may take into account the extent to which the violation was intentional, the materiality of the violation from the perspective of either the detriment to the Bank or the benefit to the director, executive officer or employee, the policy behind the provision violated and such other facts and circumstances as they shall deem advisable.

Acts or omissions determined to be violations of this Code by other than the Audit Committee under the process set forth above shall be promptly reported by the President and Chief Executive Officer of the Bank to the Audit Committee and by the Audit Committee to the Board.

Confidentiality

Reports of suspected violations will be kept confidential to the extent possible and consistent with the conduct of an appropriate investigation.

No Retaliation

Retaliation in any form against an employee who has, in good faith, reported a violation of this Code will not be tolerated.

Consequences of a Violation

Employees who violate this Code, or who fail to report violations of which they are aware or should be aware, will subject themselves to disciplinary action up to and including dismissal. Some violations may also result in civil liability and/or lead to criminal prosecution.



Prior Approvals

Whenever the requirement for prior approval appears in this Code, it means that a writing setting forth the pertinent facts of the situation under consideration shall be submitted according to the following process:

- If a request for prior approval relates to an executive officer or director, the determination with respect to the approval shall be made by the Audit Committee of the Board of Directors, in consultation with the President and Chief Executive Officer of the Bank and/or such external legal counsel as the Audit Committee deems appropriate.
- If a request for prior approval relates to any other employee, the determination shall be made by the President and Chief Executive Officer of the Bank, unless the matter is quantitatively or qualitatively material or outside the ordinary course of business, in which case such determination shall be made by the Audit Committee.

All approvals (other than those approved by the Audit Committee) shall be promptly reported to the Audit Committee.

Waivers

Employees must request a waiver of a provision of this Code if there is a reasonable likelihood that their contemplated action will violate this Code.

If a waiver request relates to an executive officer or director, the determination with respect to the waiver shall be made by the Audit Committee of the Board of Directors, in consultation with the President and Chief Executive Officer of the Bank and/or such external legal counsel as the Audit Committee deems appropriate. Any waivers granted by such committee shall be submitted to the Board for ratification.

If a waiver relates to any other employee, the determination shall be made by the Chief Executive Officer unless the matter is quantitatively or qualitatively material or outside the ordinary course of business; in which case the determination shall be made by the Audit Committee.

All waivers of the Code (other than those approved by the Audit Committee) shall be promptly reported to the Audit Committee.

Waivers will not be granted except under extraordinary or special circumstances.

Updates and Changes

This Code will be reissued periodically to remind employees, officers and directors of its specifics and to make changes and clarifications based on experience and suggestions.