

CORPORATE GOVERNANCE GUIDELINES

The following Corporate Governance Guidelines (“*Guidelines*”) have been adopted by the Governance and Nominating Committee (“*Governance Committee*”) of First Financial Corporation (the “*Company*”) and the Board of Directors (“*Board*”, “*Directors*” or “*Board of Directors*”) to assist the Board in the exercise of its responsibilities. These Guidelines are not intended to change or interpret any Federal or state law or regulation, including the General Corporation Law of the State of Indiana, nor are they intended to modify the Articles of Incorporation or By-Laws of the Company. These Guidelines are subject to modification from time to time. A current version of the Guidelines shall be posted on the Company’s website.

I. DIRECTOR RESPONSIBILITIES

Role of Directors – The primary responsibility of the Board of Directors of the Company is to oversee the overall business and affairs of the Company. In doing this, Directors should exercise their business judgment and act in good faith and in a manner they reasonably believe is in the best interest of the Company and its shareholders. Directors must devote such time and attention as is necessary to discharge their responsibilities to the Company. The day-to-day operation of the Company’s business is conducted under the management and direction of the executive officers of the Company and its subsidiaries.

Board Meetings – The Board will meet as frequently as necessary to discharge their duties, but no less than once per month. Directors are expected to attend all or substantially all Board meetings, as well as meetings of the Board committees on which they serve.

The chairperson of the Board, taking into account suggestions from the Lead Independent Director (if any, as hereinafter defined) and other Directors and from the Chief Executive Officer of the Company (“*CEO*”), will set the agenda for each Board meeting. The chairperson and the Board will assure the agenda and all information and materials necessary for the Directors to discuss the agenda items are available for Directors in advance of each Board meeting so that Directors will have adequate time to review such information and materials.

The Independent Directors (as hereinafter defined) will meet in executive session without management present on an as-needed basis but, in any event, not less than as is required by the NASDAQ Stock Market listing rules (currently at least twice per year). In addition, an Independent Director may request an executive session of the Board be scheduled. The Directors may appoint from among its Independent Directors a Lead Independent Director. Currently the Independent Directors meet quarterly.

Board Committees – The Board of Directors may exercise its authority through Board committees as permitted by applicable law and as required by the NASDAQ Stock Market. The Board of Directors currently has the following three (3) standing committees composed only of Independent Directors: Audit Committee, Compensation and Employee Benefits Committee, and Governance Committee. The Board of Directors may add new committees as it deems advisable. Each of these committees will have a charter and will carry out the responsibilities specified in its charter as well as such additional responsibilities as may be assigned by the Board of Directors.

All Committee members of the Company's Audit Committee, Compensation and Employee Benefits Committee, and Governance Committee must be Independent Directors under the criteria established by the NASDAQ Stock Market. All committee members will be appointed by the Board of Directors upon the recommendation of the Governance Committee. Committee assignments should be based on the Director's expertise, interest, and available time.

II. DIRECTOR QUALIFICATIONS

Size of Board – From time to time, the Board of Directors will determine the appropriate size of the Board to carry out its responsibilities efficiently and effectively based on recommendations provided by the Governance Committee.

General Qualifications – The Board of Directors will seek as members individuals of high personal and professional integrity who have the characteristics, skills and experience the Board believes are appropriate to serve as a Director of the Company; who have the ability to understand the Company's business and who can act in the best interest of the Company and its shareholders. In making its selection of Director nominees or of individuals for appointment to the Board to fill vacancies or newly-created directorships, the Board of Directors shall consider the recommendations of the Governance Committee.

The Governance Committee may apply several criteria in selecting nominees to recommend to the Board. This committee shall be responsible for assessing the appropriate balance of the attributes and criteria required of Board members. Among the qualifications considered in the selection of candidates, the Governance Committee shall look at the following attributes and criteria of candidates: personal and professional integrity, character, business judgment, skills, expertise, dedication and background, diversity with respect to gender, race, ethnicity and experience, time availability to serve in light of other commitments, conflicts of interest and such other relevant factors as the Governance Committee considers appropriate in the context of the needs of Board of Directors.

The Governance Committee may identify candidates for nomination or appointment by soliciting names of potential candidates from a variety of sources, including Directors, officers, other individuals with whom the Directors or Governance Committee members are familiar, through its own research or through consultants or third party search firms. In so doing, the Governance Committee will ensure that the initial list of candidates from which new nominees are chosen includes qualified individuals with a diversity of race, ethnicity, and/or gender.

Independence – A majority of the Board of Directors must satisfy the independence requirements established by the NASDAQ Stock Market. The Governance Committee will assist with the Board's annual review of the independence of each Director. In addition to these requirements, the Board of Directors will consider other factors that could affect a Director's independence, such as, for example, whether the Company makes substantial charitable contributions to organizations with which a Director is affiliated or whether the Company has entered into consulting contracts (or provides other forms of compensation to) a Director or a company with which a Director is affiliated. Each Director must notify the chairperson of the Governance Committee of any changes or other circumstances which may affect their independence. If such a change is not appropriate

for the chairperson of the Governance Committee to consider, then he will notify the chairperson of the Audit Committee.

Chairperson of the Board – The positions of the chairperson of the Board of Directors and the CEO may be filled by the same individual or by different individuals, at the discretion of the Board.

Lead Independent Director – If the chairperson of the Board is not qualified as an Independent Director (“*Independent Director*”) under the listing standards of the NASDAQ Stock Market, the Governance Committee will recommend one of the Independent Directors of the Board of Directors to serve as a Lead Independent Director (the “*Lead Independent Director*”). If the chairperson of the Board is an Independent Director, then the duties of the Lead Independent Director described herein shall be part of the duties of the chairperson of the Board, unless the Board of Directors determines otherwise. The Lead Independent Director’s duties will include coordinating the activities of the Independent Directors, coordinating the agenda for and moderating sessions of the Board’s Independent Directors and facilitating communications between the other members of the Board of Directors.

In performing the duties described above, the Lead Independent Director is expected to consult with the chairperson of the appropriate Board committees and solicit their participation in order to avoid diluting the authority or responsibility of such committee chairperson.

Term Limits and Retirement Policy – The Board of Directors does not believe that it should limit the number of terms for which an individual may serve as a Director, nor does the Board have a retirement policy for Directors. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the Company based upon their experience with and understanding of the Company’s business, history, strategic objectives and industry and are able to provide an increased contribution to the Board as a whole. Instead of implementing mandatory term limits and a retirement policy, the Governance Committee will consider the performance and abilities of each Director when making its recommendations with respect to Director candidates.

Positions on Other Boards – The Board of Directors has not adopted any policy limiting its members from serving on Boards or committees of other for-profit or non-profit entities, except as may be required by the NASDAQ Stock Market. The Governance Committee will consider the nature and time commitment of a Director’s service on other Boards or committees when making its recommendations with respect to Director candidates. Directors shall provide prior written notice to the chairperson of the Governance Committee of any service or proposed service on the Board of Directors of a public or private company.

Change in Principal Occupation – Non-Management Directors who have a change in their principal occupation should notify the chairperson of the Governance Committee promptly of such a change. The Governance Committee will consider this fact when evaluating the composition of the Board of Directors and making its recommendations with respect to Director candidates. If such changes are not appropriate for the chairperson of the Governance Committee to consider, then the Director will notify the chairperson of the Audit Committee.

III. ACCESS TO MANAGEMENT AND OTHER ADVISORS

The Board of Directors will have complete and unrestricted access to management so that Directors can ask questions and obtain information necessary to discharge the responsibilities to the Company. Such contact with management should be reasonable. The Board of Directors may invite members of management who are not Directors to attend portions of Board and committee meetings. In addition, the Board of Directors and any committee of the Board may consult with the Company's independent auditors, legal counsel, and other advisors as they deem necessary.

IV. DIRECTOR COMPENSATION

General – The form and amount of compensation for Directors who are not employees of the Company will be determined by the Board of Directors from time-to-time, taking into account the recommendations of the Compensation and Employee Benefits Committee. In determining Director compensation, the Board of Directors will take into account that, if Director fees and perquisites exceed customary levels for companies of comparable size and complexity, this could affect Director Independence.

Management Directors – A Director who is employed by the Company or any of its subsidiaries will not receive additional compensation for his or her service on the Board of Directors of the Company.

V. DIRECTOR STOCK OWNERSHIP GUIDELINES

The Board believes that directors more effectively represent the Company's shareholders if they are shareholders themselves. Therefore, the Board has adopted stock ownership guidelines applicable to all non-employee directors. Under the guidelines, directors must own a number of shares of the Company's common stock equal in value to three times their annual Company retainer for services as a director. Additionally, directors may not dispose of shares of Company stock in a market transaction until they have satisfied the guidelines. Directors are expected to be in compliance with the stock ownership guidelines not later than five (5) years after the date of their initial election or appointment as a Director.

VI. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

New Directors – The CEO of the Company will be responsible for providing an orientation for new Directors.

The Company shall provide new Directors with a Director orientation program to familiarize such Directors with, among other things, the Company's business, strategic plans, significant financial, accounting and risk management issues, compliance programs, conflicts policies, Code of Business Conduct and Ethics, these Guidelines, principal officers, internal auditors and independent auditors.

Continuing Education – The CEO of the Company, with assistance from the Governance Committee, will be responsible for periodically providing, or having advisors to the Company provide, materials or presentations to the Board of Directors on topics that will assist the Directors

in discharging their responsibilities. Directors may request a presentation on any relevant subject be made at a Board meeting.

Each Director is expected to participate in continuing education programs in order to maintain the necessary level of expertise to perform his or her responsibilities as a Director.

VII. MANAGEMENT SUCCESSION

The CEO, in consultation with others as needed, will provide the Governance Committee with an appropriate succession plan for the CEO and other executive officers of the Company, including a plan regarding succession in the event of an emergency.

VIII. BOARD SELF-EVALUATION

The Governance Committee will coordinate and oversee an annual self-assessment of the performance of the Directors, the results of which will be discussed with the full Board of Directors. The assessment should include a review of any areas in which the Board of Directors or management believes the Board of Directors can make a better contribution to the Company.

IX. REVIEW OF GUIDELINES

The Governance Committee will review and suggest changes to these Guidelines to the Board of Directors as it deems appropriate. In addition to these Guidelines, the Board of Directors or any of its committees may establish other guidelines, policies, and/or procedures relating to their respective functions or the Company's operations. Such other guidelines, policies, and/or procedures will be maintained by the Secretary of the Company.

X. BOARD INTERACTION WITH INSTITUTIONAL INVESTORS, ANALYSTS, PRESS AND CUSTOMERS

The Board of Directors believes executive management or other designated spokespersons generally should speak for the Company. Each Director should refer all inquiries from institutional investors, analysts, the press, or customers to the CEO or his or her designee.

XI. SHAREHOLDER COMMUNICATIONS WITH BOARD

Any shareholder who desires to contact the chairperson of the Board, the Lead Independent Director or the other members of the Board, or who desires to make a recommendation of a director candidate for consideration by the Governance Committee, may do so in accordance with the provisions set forth in the Company's annual meeting proxy statement.

Corporate Governance Guidelines - History	
November 13, 2020	Reviewed and approved by the Governance Committee with recommendation to approve to the full Board
November 17, 2020	Board approval