



NICHOLAS FINANCIAL, INC.

CODE OF ETHICS AND BUSINESS CONDUCT

1. Introduction.

1.1 The Board of Directors of Nicholas Financial, Inc. (together with its subsidiaries, the “Company”) has adopted this Code of Ethics and Business Conduct (the “Code”) in order to:

- (a) promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest;
- (b) promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (the “SEC”) and in other public communications made by the Company;
- (c) promote compliance with applicable governmental laws, rules and regulations;
- (d) promote the protection of Company assets, including corporate opportunities and confidential information;
- (e) promote fair dealing practices;
- (f) deter wrongdoing; and
- (g) ensure accountability for adherence to the Code.

1.2 All directors, officers and employees¹ are required to be familiar with the Code and comply with its provisions. If you become aware of a violation of this Code, or question whether a particular situation or proposed course of action may violate or lead to a violation of this Code, follow the guidelines described below in Section 13., Reporting and Enforcement. Those who violate the standards in this Code will be subject to disciplinary action up to and including termination of employment.

2. Honest and Ethical Conduct.

2.1 The Company’s policy is to promote high standards of integrity by conducting its affairs honestly and ethically.

2.2 Employees must act with integrity and observe the highest ethical standards of business conduct in his or her dealings with the Company’s customers, suppliers, partners, service providers, competitors, employees and anyone else with whom he or she has contact in the course of performing his or her job. All Employees must conduct themselves in accordance with both the letter and the spirit of this Code and seek to avoid even the appearance of unlawful or unethical behavior.

¹ Hereinafter, unless the context dictates otherwise, “Employee” includes employees, officers and directors.

3. Compliance.

3.1 Obeying the law, both in letter and spirit, is the foundation on which this Company's ethical standards are built. All Employees must respect and obey the applicable laws, rules and regulations of the cities, states and countries in which the Company operates.

3.2 Although not all employees, officers and directors are expected to know the details of all applicable laws, rules and regulations, it is important to know enough to determine when to seek advice from appropriate personnel. Questions about compliance should be addressed to the Legal Department.

4. Conflicts of Interest.

4.1 A conflict of interest occurs when an individual's private interest (or the interest of a member of his or her family) interferes, or even appears to interfere, with the interests of the Company as a whole. A conflict of interest can arise when an Employee (or a member of his or her family) takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest also arise when an Employee (or a member of his or her family) receives improper personal benefits as a result of his or her position in the Company.

4.2 Loans by the Company to, or guarantees by the Company of obligations of, Employees or their family members are of special concern and could constitute improper personal benefits to the recipients of such loans or guarantees, depending on the facts and circumstances. Loans by the Company to, or guarantees by the Company of obligations of, any Employee or their family members are expressly prohibited.

4.3 Conflicts of interest are prohibited as a matter of Company policy, except under guidelines approved by the Board of Directors. Whether or not a conflict of interest exists or will exist can be unclear. If you have a question, you should consult with higher levels of management or the Company's legal counsel. Any Employee who becomes aware of a conflict or potential conflict should consult and follow the procedures described in Section 13 below.

5. Insider Trading. Employees who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of Company business. 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 this information is not only unethical but also illegal. This Code should be read in conjunction with the Company's Insider Trading Policy, as in effect from time to time, which contains more information and rules regarding these matters. If you have any questions, please consult the Company's Chief Financial Officer.

6. Public Disclosure.

6.1 The Company's periodic reports and other documents filed with the SEC, including all financial statements and other financial information, must comply with applicable federal securities laws and SEC rules.

6.2 Each Employee who contributes in any way to the preparation or verification of the Company's financial statements and other financial information must ensure that the Company's books, records and accounts are accurately maintained. Each Employee must cooperate fully with the Company's accounting and internal audit departments, as well as the Company's independent public accountants and counsel.

6.3 Each Employee who is involved in the Company's disclosure process must:

- (a) be familiar with and comply with the Company's disclosure controls and procedures and its internal control over financial reporting; and
- (b) take all necessary steps to ensure that all filings with the SEC and all other public communications about the financial and business condition of the Company provide full, fair, accurate, timely and understandable disclosure.

7. Protection and Proper Use of Company Assets.

7.1 All Employees should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability and are prohibited.

7.2 All Company assets should be used only for legitimate business purposes, though incidental personal use may be permitted. Any suspected incident of fraud or theft should be reported for investigation immediately.

7.3 The obligation to protect Company assets includes the Company's proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business and marketing plans, engineering and manufacturing ideas, designs, databases, records and any non-public financial data or reports. Unauthorized use or distribution of this information is prohibited and could also be illegal and result in civil or criminal penalties.

8. Corporate Opportunities. Employees are prohibited from taking for themselves personally (or for the benefit of friends or family members) opportunities that are discovered through the use of Company assets, property, information or position. No Employee may use Company assets, property, information or position for personal gain (including gain of friends or family members).

9. Confidentiality. Employees must maintain the confidentiality of information entrusted to them by the Company or by its customers, suppliers or partners, except when disclosure is expressly authorized by the Company's officers or is required or permitted by law. Confidential information includes all non-public information (regardless of its source) that might be of use to the Company's competitors, specifically including trade secrets, Company-specific operating procedures, and similar proprietary information. Confidential information includes all information the Company is, by law, required to keep confidential, such as the financial information of customers. It also includes information that suppliers and customers have entrusted to us. The obligation to preserve confidential information continues after the Employee's employment ends.

10. Fair Dealing. We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal practices. Each Employee must deal fairly with the Company's customers, suppliers, partners, service providers, competitors, employees and anyone else with whom he or she has contact in the course of performing his or her job. No Employee may take unfair advantage of anyone through manipulation, concealment, abuse or privileged information, misrepresentation of facts or any other unfair dealing practice.

11. Discrimination and Harassment. The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate illegal discrimination or harassment of any kind. Prohibited discrimination includes, but is not limited to, using protected characteristics (such as race, sex, religion, or national origin) in hiring, termination, promotion or demotion decisions. Examples of prohibited

harassing conduct include, but are not limited to, derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances.

12. Health and Safety.

12.1 The Company strives to provide each Employee with a safe and healthy work environment. Each Employee has the responsibility for maintaining a safe and healthy workplace for all Employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices and conditions.

12.2 Violence and threatening behavior are not permitted. Employees should report to work in a condition to perform their duties, free from the influence of illegal drugs and alcohol. The use of illegal drugs in the workplace will not be tolerated.

13. Reporting and Enforcement.

13.1 Reporting and Investigation of Violations.

(a) Actions prohibited by this Code involving directors or executive officers must be reported to the Chair of the Board of Director's Nominating and Corporate Governance Committee or Audit Committee, as appropriate.

(b) Actions prohibited by this Code involving anyone other than a director or executive officer must be reported to the reporting person's supervisor and such compliance officer as may be designated from time to time.

(c) After receiving a report of an alleged prohibited action, the Nominating and Corporate Governance Committee or Audit Committee, the relevant supervisor and the designated compliance officer must promptly take all appropriate actions necessary to investigate.

(d) All Employees are expected to cooperate in any internal investigation of misconduct.

13.2 Enforcement.

(a) The Company must ensure prompt and consistent action against violations of this Code.

(b) If, after investigating a report of an alleged prohibited action by a director or executive officer, the Nominating and Corporate Governance Committee or Audit Committee determines that a violation of this Code has occurred, the investigating committee will report such determination to the Board of Directors.

(c) If, after investigating a report of an alleged prohibited action by any other person, the relevant supervisor or the designated compliance officer determines that a violation of this Code has occurred, the supervisor or the designated compliance officer will report such determination to the General Counsel.

(d) Upon receipt of a determination that there has been a violation of this Code, the Board of Directors or the General Counsel will take such preventative or disciplinary action as it deems appropriate, including, but not limited to, reassignment, demotion, dismissal and, in the event of criminal conduct or other serious violations of the law, notification of appropriate governmental authorities.

13.3 Waivers.

(a) Each of the Board of Directors (in the case of a violation by a director or executive officer) and the General Counsel (in the case of a violation by any other person) may, in its discretion, waive any violation of this Code.

(b) Any waiver for a director or an executive officer shall be disclosed as required by SEC or applicable stock exchange or market regulation.

13.4 Prohibition on Retaliation.

The Company does not tolerate acts of retaliation against any Employee who makes a good faith report of known or suspected acts of misconduct or other violations of this Code.

14. Amendments. This Code may be amended or modified by the Board of Directors or by a duly authorized Committee of the Board of Directors.

ACKNOWLEDGMENT OF RECEIPT AND REVIEW

To be signed and returned to the Legal Department.

I, _____, acknowledge that I have received and read a copy of Nicholas Financial, Inc.'s Code of Ethics and Business Conduct. I understand the contents of the Code and I agree to comply with the policies and procedures set out in the Code.

I understand that I should approach Legal Department if I have any questions about the Code generally or any questions about reporting a suspected conflict of interest or other violation of the Code.

[NAME]

[PRINTED NAME]

[DATE]]