



**NICHOLAS**

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## **NICHOLAS FINANCIAL, INC.**

### **CODE OF CONDUCT AND ETHICS**

**Version No:1.0 Date: April 15, 2004**

#### **Purpose**

Nicholas Financial, Inc.'s Code of Business Conduct and Ethics (the "Code") sets forth the guiding values by which its employees conduct business with its shareholders, customers, suppliers, and with each other. These values apply to all directors and employees of Nicholas Financial, Inc. This Code may not cover every issue that may occur, it does however describe the basic values to guide employees in regard to their business conduct.

In addition to the values described in this Code, employees are subject to the internal policies and procedures that have been adopted by Nicholas Financial, Inc. to govern business practices and conduct. The President, Chief Financial Officer and Controller are also subject to the Code of Ethics for Senior Financial Officers, which describes responsibilities beyond those set forth in this Code.

#### **The Company**

Nicholas Financial, Inc. expects and promotes full compliance with all internal policies, procedures, applicable laws and regulations.

- **Regulation** – Nicholas Financial, Inc. makes every effort to adhere to the laws and regulations of every jurisdiction in which it conducts business. Employees are instructed to contact Corporate Administration with any questions regarding compliance.
- **Insider Trading** – The Company's Insider Trading Policy prohibits employees from buying or selling securities of the Company with the knowledge of material non-public information. Employees must never disclose material non-public information to family members, friends or others outside the Company.
- **Gifts/Entertainment** – The Company expects all employees to utilize good judgment when accepting or giving gifts in business settings. The Company does not solicit gifts, entertainment or anything else of material value from its customers or its suppliers. Non-material gifts promoting goodwill and business relationships are allowed. No gift or entertainment should ever be received or given with the idea of gaining an unfair advantage with customers. Any questions regarding the appropriateness of a gift received or to be given should be discussed with Corporate Administration and Compliance.

## The Company (cont.)

- **Company Assets** – Misappropriation of Nicholas Financial, Inc assets is a breach of the employees duty and may also constitute fraud. Company equipment should not be used for personal business and any unauthorized use can result in disciplinary action and/or termination. Employees are also expected to protect Company assets that include proprietary information. Proprietary information includes marketing plans, salary information, pricing, employee lists, databases, reports and other information specific to the Company. Unauthorized use or distribution of any of this information would violate this Code and could also result in civil/criminal penalties as well as termination of employment.

## Our Employees

- **Customer information** – Nicholas Financial, Inc. is committed to safeguarding customer information from disclosure, modification or destruction.
- **Falsifying information** – employees must not falsify information, either written or verbal. This includes but is not limited to: an employment application, timesheets, Company documents, retail installment loans, customer applications, credit applications, lien perfection documents, dealer agreements and licensing information.
- **Improper use of Company Resources** - The primary purpose for which access to any corporate resource is provided by Nicholas Financial, Inc. to its employees is to assist them in carrying out the duties of their employment. They may also use these resources for reasonable private purposes which are consistent with and detailed in the Nicholas Financial, Inc. "Acceptable Use Policy". They may not use any corporate resource provided by Nicholas Financial, Inc. in such a way as to significantly interfere with the duties of their employment or to expose Nicholas Financial, Inc. to significant cost or risk of liability.
- A detailed description of guidelines for use of corporate Computer, Email and Internet resources is specified in the Nicholas Financial, Inc. "Acceptable Use Policy". Nicholas Financial, Inc is committed to remaining in compliance with laws and regulations governing use of the Internet and e-mail transmissions and to preserving for all of its employees and customers the ability to use Nicholas Financial's computer network and Internet services without interference or harassment from other users. Nicholas Financial, Inc. prohibits use of its Computer, Email or Internet related Services in any ways that are unlawful, interfere with use of Nicholas Financial's network or the Internet, infringe intellectual property rights, result in the publication using Nicholas Financial's Services of threatening or offensive material, constitute Spam/E-mail/Usenet abuse, or present security or privacy risks. Nicholas Financial, Inc. may modify the "Acceptable Use Policy" upon 30 days notice in writing to its employees.

## **Our Employees (cont.)**

- **Harassment** – The Company is committed to creating an environment free from any type of harassment. Prohibited conduct includes unwelcome sexual advances, comments and actions based on national origin, age, gender, religion, race or disability. In addition, every employee is entitled to professional and courteous communication from all employees.
- **Substance Abuse** – The Company is committed to maintaining a drug-free workplace. Any employee who is determined to be under the influence, using, selling, possessing drugs or alcohol will be subject to immediate termination.
- **Conflicts with other Employees or Managers** – Insubordination and/or other actions of gross disrespect towards a manager or fellow employee will not be tolerated. Employees are expected to act in a mature professional manner at all times when in the workplace. Employees are encouraged to discuss grievances with their supervisor. In the event an employee does not feel comfortable with this approach he/she should discuss their concerns with Human Resources.
- **Complaints regarding Accounting, Internal Controls, and Auditing Matters** – Any employee who identifies any person(s) who engage in fraudulent activities or misconduct related to accounting, internal controls or auditing matters are required to report their suspicions to either the President of the Company or any member of the Board of Directors.
- **Employee Accountability** – Every employee is responsible for adhering to the standards of conduct discussed in this Code. Each employee is expected to raise questions of concern when the standards outlined in this Code are not being met. Violations of the Code may result in disciplinary action up to and including termination of employment.

### **Amendments, Modifications, and Waivers**

This Code may be amended or modified by the Board of Directors or by a duly authorized Committee of the Board of Directors. Any waiver of this Code may only be made by the Board or a Board Committee and will promptly be disclosed as required by law or stock exchange regulation