

FIRST CAPITAL, INC.
Fifth Amended and Restated
Audit Committee Charter

I. PURPOSE

The primary function of the Audit Committee (the “Audit Committee”) of First Capital, Inc. (the “Corporation”) is to assist the Corporation’s Board of Directors (the “Board”) in its oversight of: (1) the integrity of the financial reports and other financial information provided by the Corporation to any governmental body or the public, including any certification, report, opinion or review performed by the Corporation’s independent auditor; (2) the Corporation’s compliance with legal and regulatory requirements; (3) the independent auditor’s qualifications and independence; (4) the performance of the Corporation’s internal audit functions, its independent auditor and system of internal controls and disclosure procedures regarding finance, accounting, legal compliance and ethics that management and the Board have established; and (5) the Corporation’s auditing, accounting and financial reporting processes generally. Consistent with these functions, the Audit Committee shall encourage continuous improvement of, and shall foster adherence to, the Corporation’s policy, procedures and practices at all levels. The Audit Committee shall prepare the audit committee report required by the Securities and Exchange Commission (the “SEC”) rules to be included in the Corporation’s annual proxy statement.

II. COMPOSITION

1. The Audit Committee shall be comprised of three or more directors as determined by the Board, each of whom shall meet the independence requirements as defined in applicable Nasdaq Stock Market listing standards, Section 10A of the Securities Exchange Act of 1934 and applicable SEC rules and regulations.
2. All members of the Audit Committee must be financially literate at the time of appointment, meaning they must be able to read and understand fundamental financial statements, including the Corporation’s balance sheet, income statement, and cash flow statement.
3. The members of the Audit Committee shall be appointed by the Board at the annual organization meeting of the Board and shall serve until their successors shall be appointed or until their earlier death, resignation or removal. Unless a Chairperson is elected by the full Board, the members of the Audit Committee shall designate a Chairperson by majority vote of the full Audit Committee membership. Audit Committee members shall serve at the pleasure of the Board and may be removed, with or without cause, by a majority vote of the directors present at a meeting of the Board.

4. Audit Committee members shall not simultaneously serve on the audit committees of more than two public companies, including the Corporation.
5. Audit Committee members may neither accept any consulting, advisory, or other compensatory fee from the Corporation, nor be affiliated with the Corporation or any of its subsidiaries, except in his or her capacity as a member of the Board.
6. At least one member of the Audit Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.
7. At least one member of the Audit Committee must be an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of SEC Regulation S-K. A person who satisfies this definition of audit committee financial expert will also be presumed to have financial sophistication.
8. Following each meeting of the Audit Committee, the Chairperson shall submit a written record of the meeting to the Board of Directors, including any recommendations that the Audit Committee may deem appropriate.

III. STRUCTURE AND MEETINGS

1. The Audit Committee shall meet at least quarterly, or more frequently as circumstances dictate. Additional meetings shall be scheduled as considered necessary by the Audit Committee Chairperson. A quorum of the Audit Committee shall be declared when a majority of the appointed members of the Audit Committee are in attendance.
2. The Audit Committee shall meet with the independent auditor and management quarterly to review the Corporation's financial statements.
3. The Audit Committee may request any officer or employee of the Corporation or the Corporation's outside counsel or independent auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.
4. In meetings attended by the independent auditor or by regulatory examiners, a portion of the meeting will be reserved for the Audit Committee to meet in closed session with these parties.
5. Written minutes shall be kept for all meetings.
6. The Audit Committee Chairperson shall preside at meetings and, in consultation with other members of the Audit Committee, will set the frequency and length of each meeting and the agenda items to be addressed at each meeting. The Audit Committee Chairperson shall ensure that the agenda for each meeting is circulated to each Audit Committee member in advance of the meeting.

IV. RESPONSIBILITIES AND DUTIES

In carrying out its responsibilities, the Audit Committee believes its policies and procedures should remain flexible, in order to best react to changing conditions and to ensure to the directors and shareholders that the corporate accounting and reporting practices of the Corporation are in accordance with all requirements and are of the highest quality. To fulfill its responsibilities and duties, the Audit Committee shall:

1. Facilitate an open avenue of communication between management, the independent auditor and the Board of Directors.
2. Review and update this Charter periodically, at least annually, and as conditions dictate. Further, the Corporation will disclose at least once every three years in its annual proxy statement to its shareholders a copy of the charter or, instead, post a copy of this Charter on the Corporation's Internet website.
3. Review any regular internal reports to management prepared by the internal audit function and management's response.
4. Review and discuss with management and the independent auditor the Corporation's audited annual financial statements, the independent auditor's opinion rendered with respect to such financial statements, and the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" to be included in the Corporation's annual report on Form 10-K, including reviewing the nature and extent of any significant changes in accounting principles or the application therein.
5. Recommend to the Board whether the audited financial statements should be included in the Corporation's Form 10-K.
6. Review with the independent auditor the matters required to be discussed in accordance with PCAOB Auditing Standard No. 16 (Communications with Audit Committees) relating to the conduct of the audit, including but not limited to the level of responsibility the auditor assumes under PCAOB auditing standards and the nature of assurance an audit provides, the selection and changes in critical accounting policies, the process management uses to prepare particularly sensitive accounting estimates and the basis for the auditor's conclusions about the reasonableness of the estimates, significant adjustments arising from the audit, the auditor's judgments about the quality of accounting principles, any disagreements or difficulties encountered in the course of the

- audit, issues discussed prior to retention, and any views about significant matters that were the subject of management's consultation with other accountants.
7. Review and approve requests for any management consulting engagement to be performed by the Corporation's independent auditor and be advised of any other study undertaken at the request of management that is beyond the scope of the audit engagement letter.
 8. Review with financial management and the independent auditor the Corporation's quarterly financial statements, including the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to the filing of each quarterly report on Form 10-Q of the Corporation, including the results of the independent auditor's review of the quarterly financial statements to the extent applicable. The Chairperson of the Audit Committee may represent the entire Audit Committee for purposes of this review.
 9. Review and discuss with management and the independent auditor, as applicable, the type and presentation of information to be included in earnings press releases (including any use of pro forma or adjusted non-GAAP information), as well as financial information and earnings guidance (generally or on a case-by-case basis) provided to analysts and rating agencies.
 10. Select the independent auditor (and, if necessary, any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation) after considering their independence and effectiveness, and be ultimately responsible for their compensation, retention and oversight (including resolution of disagreements between management, internal audit, and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit related work, and such independent auditor shall report directly to the Audit Committee. On an annual basis, the Audit Committee shall review and discuss with the independent auditor all significant relationships the independent auditor has with the Corporation to determine its independence. The Audit Committee should confirm the independence of the independent auditor by requiring them to disclose in writing all relationships that, in the independent auditor's professional judgment, may reasonably be thought to bear on the ability to perform the audit independently and objectively. The Audit Committee also shall review with the independent auditor the matters required to be discussed by PCAOB Ethics and Independence Rule 3526 (Communication With Audit Committees Concerning Independence).
 11. Review the performance of and scope of work performed by the independent auditor and approve any proposed discharge of the independent auditor when circumstances warrant.
 12. Review and discuss with management and the independent auditor the certifications of the Corporation's chief executive officer and of its chief financial officer about any significant deficiencies in the design or operation of internal controls or material weaknesses herein and any fraud involving management or other employees who have

a significant role in the Corporation's internal controls, as required by Sarbanes-Oxley Act of 2002, and relevant reports rendered by the independent auditor.

13. Periodically consult with the independent auditor, out of the presence of management, about the Corporation's internal auditors and financial and accounting personnel, the fullness and accuracy of the Corporation's financial statements, the adequacy and effectiveness of the accounting and financial controls of the Corporation, and solicit any recommendations for the improvement of such internal control procedures. Particular emphasis should be given to the adequacy of such internal controls to expose payments, transactions or procedures that might be deemed illegal or otherwise improper. Further, the Audit Committee should periodically review Corporation policy statements to determine their adherence to the Corporation's Code of Business Conduct.
14. Approve, in advance, all permissible non-audit services to be performed by the independent auditor or other independent registered public accounting firm(s). Such approval process will ensure that the independent auditors do not provide any non-audit services to the Corporation or First Harrison Bank that are prohibited by law or regulation. Alternatively, the Audit Committee may establish pre-approval policies and procedures with respect to permissible non-audit services to be performed by the independent auditor or other independent registered public accounting firm(s). Evaluate whether the independent auditor's provision of permitted non-audit services is compatible with maintaining the auditor's independence.
15. Obtain and review, at least annually, a report by the independent auditor describing (A) the independent auditor's internal quality control procedures, (B) any material issues raised by its most recent internal quality control review, or peer review, of the firm or by any inquiry or investigation by governmental or professional authorities in the preceding five (5) years relating to an independent audit conducted by the firm and any steps taken to deal with such issues.
16. Establish hiring policies designed to observe SEC rules for hiring employees or former employees of the independent auditor.
17. In consultation with the independent auditor and management, review the integrity of the Corporation's financial reporting processes, both internal and external.
18. Consider the independent auditor's judgment about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
19. Consider and approve, if appropriate, major changes to the Corporation's auditing and accounting principles and practices suggested by the independent auditor, management, or the internal audit function.
20. Ensure that the independent auditors discuss with the Audit Committee their judgments about the quality, not just the acceptability, of the Company's accounting principles as applied in the financial reports. The discussion should include such issues as the clarity of the Company's financial disclosures and degree of aggressiveness or conservatism of the Company's accounting principles and underlying estimates and other significant

decisions made by management in preparing the financial disclosures.

21. Prepare a report for inclusion in the Corporation's annual proxy statement, in accordance with applicable SEC rules and regulations. Arrange for the independent auditor to be available to the full Board at least annually to discuss the results of the annual audit and the audited financial statements that are a part of the annual report to shareholders.
22. Establish regular and separate systems of reporting to the Audit Committee by each of management, independent auditor, and the internal audit function, regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.
23. Following the completion of the annual audit, review separately with each of management, the independent auditors and the internal audit function any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
24. Review with the independent auditors, the internal audit function and management the extent of which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented.
25. Review all significant risks or exposures to the Corporation found during audits performed by the independent auditor and by the internal auditor and ensure that these items are discussed with management. From these discussions, assess and report to the Board regarding how the findings should be addressed.
26. Periodically consult with the internal auditor out of the presence of management and the independent auditor about the status of internal controls, the fullness and accuracy of the organization's financial statements and any significant findings or recommendations by the internal auditor. Monitor and remain well informed about the loan review function, including the independence and authority of its reporting.
27. Have in place and oversee procedures for (A) receiving, retaining and treating complaints regarding accounting, internal accounting controls, or auditing matters and (B) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
28. Report regularly to the Board of Directors, which such report should include a review on issues relating to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements, the performance of the independent auditors, or the performance of the internal audit function, including any recommendations the Audit Committee may deem appropriate.
29. Review activities, organizational structure, and qualifications of the internal audit and compliance audit functions. The Audit Committee should also review and concur in the appointment, replacement, reassignment or dismissal of senior personnel within the internal audit and compliance departments.

30. Review all significant legal matters that may have a material impact on the Corporation's financial statements or compliance policies and internal controls.
31. Review periodically, but no less frequently than quarterly, a summary of the Corporation's transactions with directors and executive officers of the Corporation and with firms that employ directors, as well as any other related person transactions, for the purpose of recommending to the disinterested members of the Board of Directors that the transactions are fair, reasonable and within Corporation policy and should be ratified and approved. "Related person" and "transaction" shall have the meanings given to such terms in Securities and Exchange Commission Regulation S-K, Item 404, as amended from time to time.
32. In accordance with PCAOB Auditing Standard No. 18 (Related Parties), keep the independent auditors informed of the Audit Committee's understanding of the Corporation's relationships and transactions with related parties that are significant to the Corporation; and review and discuss with the independent auditor the independent auditor's evaluation of the Corporation's identification of, accounting for, and disclosure of its relationships and transactions with related parties, including any significant matters arising from the audit regarding the Corporation's relationships and transactions with related parties.
33. Review with management, the independent auditors and legal counsel any legal and regulatory matters that could have a significant impact on the organization's financial statements.
34. Perform any other activities consistent with this Charter, the Corporation's Bylaws and governing law, as the Audit Committee or the Board of Directors deems necessary or appropriate.
35. Establish, review and update periodically a Code of Business Conduct and ensure that management has a system in place to enforce the Code.
36. Discuss with the independent auditor, management and the internal audit department the status and adequacy of management information systems and other information technology, including the significant risks related thereto and major control over such activities.
37. Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

The Corporation's management is responsible for preparing the Corporation's financial statements. The independent auditors are responsible for auditing those financial statements. Management and the independent auditors have more time, knowledge and detailed information about the Corporation than do Audit Committee members. Consequently, in carrying out its oversight responsibilities, the Audit Committee is not providing any expert or special assurance as to the Corporation's financial statements, or

any professional certification as to the independent auditor's work, including with respect to auditor independence. Each member of the Audit Committee shall be entitled to rely in good faith on the integrity of people and organizations from whom the Audit Committee receives information and the accuracy of such information, including representations by management and the independent auditors regarding non-audit services provided by the independent auditor.

V. AUDIT COMMITTEE RESOURCES

The Audit Committee shall be authorized to retain independent counsel and other advisors as it deems necessary to carry out its duties and to assist it in the conduct of any investigation into matters within its scope of responsibility. In connection therewith, the Corporation shall provide the Audit Committee with appropriate funding as determined by the Audit Committee for payment to such counsel and other advisors. In addition, the Corporation shall provide the Audit Committee with funding for ordinary administrative expenses of the Audit Committee.

Adopted: January 28, 2016

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