

First Community Bankshares, Inc.

Compensation and Retirement Committee Charter

OVERVIEW

The Board of Directors (the “Board”) of First Community Bankshares, Inc. (the “Company”) has constituted and established a Compensation and Retirement Committee (the “Committee”) with authority, responsibility, and specific duties as described in this Compensation and Retirement Committee Charter.

PURPOSE

This Charter is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. It should be interpreted in the context of all applicable laws, regulations, and listing requirements, as well as in the context of the Company’s Articles of Incorporation and Bylaws.

GENERAL OBJECTIVES

The Committee has been established by the Board of the Company to:

- exercise all the power and authority of the Board relating to compensation of the Company’s executive officers as determined under applicable securities laws, rules and regulations, including the Company’s chief executive officer (the “Executive Officers”), and directors, as well as the awarding of all annual incentive compensation and all stock-based equity awards to all officers, directors, and employees of the Company and its subsidiaries; and
- assist the Board in fulfilling the Board’s oversight responsibilities and oversee compliance with all compensation related disclosure requirements.

STATEMENT OF NEED AND DEFINITION

The Committee has the right to exercise any and all power and authority of the Board with respect to matters within the scope of this Charter, subject to the ultimate power and authority of the Board. The Committee shall promptly report all Committee activity to the Board. The Board shall continue to have the ultimate duty and responsibility to manage or direct the management of the business and affairs of the Company.

SPECIFIC GOALS

The Committee’s primary duties and responsibilities are to:

- Review, evaluate and determine annually the Executive Officers’ and directors’ compensation and the corporate goals and objectives relevant thereto, and to evaluate each Executive Officer’s performance in light of such goals and objectives. The chief executive officer must not be present during any Committee deliberations or voting with respect to his compensation.
- Review and evaluate all compensation decisions otherwise made by the chief executive officer.
- Review, evaluate and determine all equity-based incentive awards.
- Review and discuss with management the proxy statement Compensation Discussion and Analysis, including all accompanying tables (the “CD&A”), recommend that the CD&A be included in the Company’s annual report on Form 10-K and the proxy statement, and

produce the compensation committee report required to be included in the Company's proxy statement or annual report on Form 10-K.

The Committee will discharge its duties and responsibilities in an objective and independent basis.

CHARTER ELEMENTS

Authority

The Committee has the authority to conduct any and all investigations necessary or appropriate to fulfilling its duties and responsibilities, to contact directly human resources employees, internal auditors and any other employee or advisor and require them to provide any and all information and advice it deems necessary or appropriate, and has the sole authority to retain or obtain the advice of, legal, human resource, including compensation consultants, or other advisors it deems necessary or appropriate in the performance of its duties and responsibilities but only after taking into consideration factors relevant to the adviser's independence from management specified in NASDAQ Listing Rule 5605(d)(3). The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any advisors so retained by the Committee. The advisors retained by the Committee shall report directly to the Committee and shall be accountable to the Committee and the Board for their services. The Committee has the sole authority to set aside for payment, pay and direct the payment of such legal, accounting and other advisors and the Company shall provide for such funding.

Composition

The Committee shall be comprised of that number of directors (but not less than two) as may be determined from time to time by the Board. Each member of the Committee shall meet the independence requirements of the NASDAQ Stock Market, including any additional independence requirements applicable to members of a compensation committee. At least two members of the Committee also shall qualify as "outside" directors within the meaning of Internal Revenue Code § 162(m) and as "non-employee" directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board or at such other times as the Board may determine. Each member of the Committee shall serve until the next annual organizational meeting of the Board or the earlier of his or her termination as a member of the Committee by the Board, the election of his or her successor as a member of the Committee, or his or her death, resignation or removal. Unless the Board elects a Chair, the members of the Committee may designate a Chair by a majority vote.

Meetings

The Committee shall meet as frequently as circumstances warrant. Committee members are expected to attend meetings and to spend the time needed to properly discharge their responsibilities.

A majority of the members of the Committee shall constitute a quorum for the transaction of business. The act of a majority of the members present at any meeting at which there is a quorum shall be the act of the Committee.

The Committee shall keep minutes of its meetings and other proceedings.

Procedures

The Committee shall determine its meeting schedule, the agenda for each meeting, the information to be provided to it before or at each meeting and all other matters relating to the conduct of its meetings and other activities.

CONCLUSION

It is the sense of the Board that the activities and procedures of the Committee should remain flexible so that it may appropriately respond to changing circumstances.

Re-Adopted by First Community Bankshares, Inc. Compensation and Retirement Committee: October 24, 2023

Re-Approved by First Community Bankshares, Inc. Board of Directors: December 12, 2023