

**FIRST COMMUNITY CORPORATION  
809 WEST MAIN STREET  
ROGERSVILLE, TENNESSEE 37857**

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MAY 31, 2022**

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TO THE SHAREHOLDERS OF FIRST COMMUNITY CORPORATION:

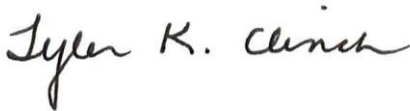
NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of First Community Corporation (the "Company") will be held at Hawkins County Natural Gas, 202 Park Boulevard, Rogersville, Tennessee, 37857, on **Tuesday, May 31, 2022**, at 9:00 a.m. (local time) for the following purposes:

- (1) To elect nine (9) directors to hold office for a period of one year and until their successors are elected and qualified; and
- (2) To approve the engagement of Pugh & Company, P.C. as the Company Independent Certified Public Accountants; and
- (3) To approve the 2022 Employee Stock Incentive Program; and
- (4) To transact such other business as may properly come before the meeting or any adjournments thereof.

The Board of Directors has fixed the close of business on **April 1, 2022**, as the record date for the determination of shareholders entitled to notice of, and to vote at, the meeting. The Annual Meeting may be adjourned from time to time without notice, other than the announcement of the adjournment at the Annual Meeting or any adjournments thereof, and any and all business for which notice is hereby given may be transacted at any such adjourned Meeting.

Your attention is directed to the proxy statement accompanying this notice for a more complete statement regarding the matters proposed to be acted upon at the Annual Meeting. To assure that your shares are represented at the meeting, whether or not you plan to attend, please either electronically file or mark, date, sign, and promptly return the enclosed proxy voting form. If you attend the Annual Meeting, you may withdraw your proxy and vote your shares personally.

By order of the Board of Directors,



Tyler K. Clinch,  
President

Rogersville, Tennessee  
April 1, 2022

**FIRST COMMUNITY CORPORATION  
809 WEST MAIN STREET  
ROGERSVILLE, TENNESSEE 37857  
(423) 272-5800**

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**PROXY STATEMENT FOR  
ANNUAL MEETING OF SHAREHOLDERS**

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**INFORMATION CONCERNING THE SOLICITATION**

This proxy statement is furnished in connection with the solicitation of the accompanying proxy by the Board of Directors of First Community Corporation (the “Company”) for use at the Annual Meeting of Shareholders (the “Annual Meeting”) of the Company to be held on **Tuesday, May 31, 2022**, and any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. The information contained herein is as of the date of the accompanying notice unless otherwise indicated.

The Company expects to mail this proxy statement and the accompanying notice on or about **April 12, 2022**. The solicitation of the proxy accompanying this proxy statement is made by and on behalf of the Board of Directors of the Company, and all expenses of preparing, printing, and mailing the proxy and all materials used in solicitation thereof will be borne directly or indirectly by the Company. In addition to the use of the mails, proxies may be solicited by personal interview and telephone by directors, officers, and other personnel of the Company and its affiliates, none of whom will receive additional compensation for such services. Arrangements will be made with brokerage firms and other custodians, as well as with fiduciaries, to forward these proxy solicitation materials to shareholders whose stock in the Company is held of record by such entities. The Company will reimburse such brokerage firms, custodians, and fiduciaries for reasonable out-of-pocket expenses incurred in connection with forwarding these materials.

**REVOCABILITY OF PROXIES AND  
INFORMATION CONCERNING VOTING SECURITIES**

Any shareholder who executes and delivers a proxy has the right to revoke it at any time before it is exercised by filing with the Company’s Secretary a written revocation or a duly executed proxy bearing a later date, or by attending the Annual Meeting and voting in person. All proxies evidenced by proxy cards that are properly executed and returned, and that are not revoked, will be voted at the Annual Meeting in accordance with the instructions specified thereon. If no instructions are indicated on the proxy card, all shares represented by that proxy will be voted (i) **“FOR”** election of nominees for director named herein; and (ii) in the proxy holder’s discretion on any other matter which may properly come before the Annual Meeting.

The Board of Directors of the Company does not know of any other matters that will be presented for action at the Annual Meeting, but the persons named in the proxy intend to vote or act on any other proposal that may be presented for action in accord with their best judgment.

As of the record date, which is **April 1, 2022**, the Company has issued and outstanding 1,650,812 shares (net of shares of Treasury Stock) of its no par value common stock. Holders of

common stock are entitled to one vote for each share of the Company's common stock held on all matters to come before the Annual Meeting. Treasury stock will not be voted by the Company at the Annual Meeting. Only shareholders of record of the Company's no-par value common stock at the close of business on **April 1, 2022**, are entitled to vote at the Annual Meeting or any adjournment thereof. As of the record date, the Company has issued and outstanding 211,672 shares (net of Treasury Stock) of its Series A \$8.05 par value preferred stock and 29,846 shares (net of Treasury Stock) of its Series B \$8.05 par value preferred stock, but in accord with the Company's charter the holders of these shares are not entitled to vote on the matters scheduled to come before the Annual Meeting.

The presence, in person or by proxy, of at least a majority of the outstanding shares of the Company's common stock is required to establish a quorum for the purpose of transacting business at the Annual Meeting. Abstentions and broker non-votes are each included in the determination of the number of shares present for determining a quorum but are not counted on any matters brought before the Annual Meeting. (A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote the shares on a proposal, because the nominee does not have discretionary voting power and has not received instructions from the beneficial owner.)

The directors standing for election must be elected by a plurality of the shares entitled to vote at the Annual Meeting. Any other action to be taken at the Annual Meeting must be approved by a majority of the votes cast. None of the proposals will give any shareholder of the Company the right to dissent from such action, and to thereby obtain payment in cash of the fair value of that shareholder's shares.

#### **SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth as of December 31, 2021, beneficial ownership of the Company's common stock over which the directors and executive officers directly or indirectly have or share voting or investment power. The shares listed below and the percentage of ownership for each person named below have been calculated assuming that all presently exercisable options and options issued pursuant to any of the Company's stock option plans, which are or will become exercisable within 60 days from the date of this table, have been exercised. The table does not include any shares of any other class or series of shares issued by the Company as these shares are not entitled to vote on the matters described in this proxy document.

NAME AND ADDRESS OF BENEFICIAL OWNER	NUMBER OF SHARES BENEFICIALLY OWNED On December 31, 2021	PERCENTAGE OF SHARES OUTSTANDING
Tyler K. Clinch 1101 Laurel Pond Lane Kingsport, TN. 37660	27,700	1.68%
Steve L. Droke 400 High Ridge Road Kingsport, TN. 37660	20,500	1.24%
Dr. David R. Johnson (1) (2) 2608 Suffolk Street Kingsport, TN. 37660	44,667	2.71%
Sidney K. Lawson (1) P.O. Box 700 Rogersville, TN. 37857	103,900	6.29%
Tommy W. Young (1) P.O. Box 652 Rogersville, TN. 37857	98,698	5.98%
Kathy M. Richards (1) 3720 Hemlock Park Drive Kingsport, TN 37663	5,700	*
Matthew W. Cleek (1) 1510 Harvey Brooks Drive Kingsport, TN 37660	5,500	*
All Directors and Executive Officers as a group (7 persons)	306,665	18.58%

\* Denotes less than 1% of shares outstanding of 1,650,812

- (1) Includes shares which the Officer or Director has a right to acquire presently or within sixty (60) days of April 1, 2022, pursuant to stock options granted by the Company.
- (2) Includes shares jointly held by/with spouse.

The following table sets forth as of December 31, 2021, beneficial ownership of the Company's common stock owned by shareholders known to the Company to own beneficially more than 5% of the shares issued and outstanding. The table does not include any shares of any other class or series of shares issued by the Company as these shares are not entitled to vote on the matters described in this proxy document.

NAME AND ADDRESS OF BENEFICIAL OWNER	NUMBER OF SHARES BENEFICIALLY OWNED On December 31, 2020	PERCENTAGE OF SHARES OUTSTANDING
Spence Limited, LP	163,028	9.88%

**PROPOSAL NO. 1**  
**ELECTION OF DIRECTORS**

Directors of the Company are elected at each Annual Meeting and serve a one-year term that expires at the Annual Meeting of shareholders the following year. Incumbent directors remain in office until their successors are elected and qualified or until the total number of directors authorized to serve on the Board is modified. The Company’s bylaws provide that no fewer than 3 and no more than 15 people shall serve on the Board of Directors, and the Board of Directors is authorized by the bylaws to fix either an exact size or variable size of the Board from time to time. The Board of Directors approved in 2005 a mandatory retirement age for any new director that may be elected in the future, but the mandatory retirement age is applicable as noted in the table below. In February 2016, the Board of Directors approved a resolution to amend the bylaws to raise the mandatory retirement age of directors to 75. This amendment does not apply to any director serving as of April 13, 2005, and still serving as a director on February 24, 2016.

The current directors of the Company standing for re-election and two new nominees proposed for election to the Board of Directors are as follows:

Names	Mandatory Retirement Age Applicable	Mandatory Retirement Age Not Applicable	Year Elected
Tommy W. Young		X	1993
Sidney F. Lawson		X	1993
Dr. David R. Johnson		X	1993
Tyler K. Clinch	X		2011
Steve L. Droke	X		2011
Kathy M. Richards	X		2018
Matthew W. Cleek	X		2018
Gregory L. DePriest	X		2022
Bobby R. Stoffle	X		2022

The Company’s Board of Directors currently consists of seven (7) members. These seven (7) members are currently serving and have been nominated for re-election as directors of the company. Two (2) nominees, Gregory L. DePriest & Bobby Stoffle, are being presented for election by the Shareholders as newly elected directors. All of the proposed nominees have consented to be named in this Proxy Statement and have agreed to serve if elected. All members of the Company’s Board of Directors comprise the Board of Directors of the Company’s wholly owned bank subsidiary, First Community Bank of East Tennessee (the “Bank”).

The Company encourages each member of the Board of Directors to attend the Annual Meeting of Shareholders. Six (6) of the seven (7) Company’s directors in 2021 attended the 2021 Annual Meeting of Shareholders.

## BIOGRAPHIES OF DIRECTOR NOMINEES

Dr. David R. Johnson, Director. Dr. Johnson has practiced small animal medicine and surgery in Kingsport since 1979 and is the Managing Veterinarian at Kingsport Veterinary Hospital. He is a graduate of the University of Tennessee and Auburn School of Veterinary Medicine. Age 71.

Sidney K. Lawson, Director. Mr. Lawson is the President and Chief Executive Officer of Lawson Construction Company, Inc., a commercial contracting firm in Rogersville, and has served in that office since 1969. He is also actively engaged in farming. Age 78.

Tommy W. Young, Director, and Chairman of the Board. Mr. Young served as General Manager of the Hawkins County Gas Utility District, a distributor of natural and propane gas, from 1977 to 2008. He serves as Vice Chairman of the Hawkins County Industrial Commission, Commissioner & Secretary for the Hawkins County Gas Utility and serves on the Board of Wellmont's Hawkins County Memorial Hospital. Age 86.

Tyler K. Clinch, Director, CEO/President of the Bank and Chairman of the Bank Board. Ms. Clinch was named Chief Financial Officer of the Bank in June 2005. She was elected Treasurer of the Company in March 2006 and served through June 2011. She was appointed Chief Executive Officer and President of the Bank effective June 1, 2011, and President of the Company. She has over 30 years of financial management experience in a variety of industries including banking, real estate development, technology services, and housing. In September 2016, Ms. Clinch was appointed to serve on the Collateral Pool Board for the Treasury Department of the State of Tennessee and currently serves as the Chairman. Ms. Clinch was appointed as a member of the Community Depository Institutions Advisory Council (CDIAC) of the Federal Reserve Bank of Atlanta and is serving a three-year term, 2021-2023. She holds a bachelor's degree in economics from Wellesley College and a master's degree from Princeton University and is a graduate of the American Bankers Association Stonier Graduate School of Banking. Age 58.

Steve L. Droke, Director. Mr. Droke joined the bank in June of 2011 as EVP for Special Assets and Chief Credit Officer. In 2014, he transitioned to the bank's Chief Lending Officer, where he served until his retirement in December 2021. Mr. Droke was elected to the Board of Directors of First Community Bank in September 2011. He is a graduate of East Tennessee State University. Age 72.

Kathy M. Richards, Director. Ms. Richards joined the board in May 2018. Ms. Richards is a licensed CPA who provides small business and QuickBooks consulting services. Prior to her consulting work, she was the co-founder and owner of ARK Sign Service, a full-service provider of signage, graphics, lighting & electrical services to local, regional, and national clients in the Washington, DC area. Ms. Richards is an active community volunteer with Engage Kingsport and St. Paul's Episcopal Church (Treasurer). She is a graduate of the University of Maryland with a BS in Accounting. Age 64.

Matthew W. Cleek, Director. Mr. Cleek joined the board in June 2018. Mr. Cleek is President and Owner of Intellithought, Inc., a technology services company offering network design and support, backup and disaster recovery, systems integration, custom programming, and website design, located in Kingsport, TN. Mr. Cleek is a principal in multiple start-ups and serves on the ETSU Research Center Advisory Board. Age 47.

Gregory L. DePriest, Elect. Mr. DePriest is the President of Strategic Growth Logistics, LLC and is also the Director of Development at Mountain Mission School in Grundy, VA. Mr. DePriest was the Lead Pastor at Christ Fellowship Church in Kingsport, TN for 25 Years. Prior to Christ Fellowship Church, he was a Regional Financial Services Manager for NISSAN Motor Acceptance Corporation in Charlotte, NC. He is a graduate of King University with a degree in Business Administration. Age 63.

Bobby R. Stoffle, Elect. Mr. Stoffle is the former Chief Executive Officer of Sevier County Bank, having previously served as the bank’s Chief Financial Officer. Mr. Stoffle is also a licensed CPA with over 30 years of tax and financial services experience. He is a veteran of the United States Air Force and graduate of the University of Tennessee. Age 62.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE TO ELECT ALL DIRECTOR NOMINEES LISTED ABOVE FOR AN ADDITIONAL ONE YEAR TERM.**

**PROPOSAL NO. 2**

**ENGAGEMENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

The Corporation’s Board of Directors has engaged Pugh & Company, P.C., Knoxville, Tennessee, to perform the audit of the financial statements of the Company and the Bank for the fiscal year ended December 31, 2021, as well as to provide tax preparation services. Pugh & Company performed these functions for the Company for the fiscal years ended December 31, 2021, and December 31, 2020, and provided tax services for the years ended December 31, 2021, and December 31, 2020. The Company paid the following fees for these services reported on a cash basis:

	<u>12/31/2020</u>	<u>12/31/2021</u>
Audit Fees	\$ 59,250	\$ 56,700
Tax Preparation Fees	\$ 17,955	\$ 18,383
All Other Fees/Expenses	<u>\$ 6,950</u>	<u>\$ 2,400</u>
Total Fees Paid	\$ 84,155	\$ 77,483

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE TO APPROVE THE ENGAGEMENT OF PUGH & COMPANY, UPON RECOMMENDATION OF THE AUDIT COMMITTEE, AS THE COMPANY’S INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS IN CONNECTION WITH THE AUDIT AND PREPARATION OF CERTIFIED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2022.**

## **PROPOSAL NO. 3**

### **2022 EMPLOYEE STOCK INCENTIVE PLAN**

The Board of Directors recommends approval of the 2022 Employee Stock Incentive Plan which will replace the Company's 1994 Stock Option Plan. **A complete copy of the 2022 Employee Stock Incentive Plan is attached to this Proxy Statement as Appendix A.** The eligible participants under the 2022 Plan are officers and employees of First Community Corporation and First Community Bank determined by the Plan Committee to be "key employees" as defined under the 2022 Plan.

Under the 2022 Plan, 250,000 shares are authorized for issuance as Stock Option Grants or Stock Appreciation Rights ("SAR's"). The specific terms of individual Option Grants and SAR's are to be determined by the Plan Committee. The Plan Committee is comprised of the non-employee members of the Company's Board of Directors, or the Compensation Committee, or another special plan committee appointed by the Board of Directors.

The 2022 Plan provides for both Non-Qualified Options and Qualified Options. Options will be granted in such amounts and for such vesting terms as the Committee deems appropriate. For Non-Qualified Options, the Option Price can be at or below Fair Market Value as of the date of the option grant as determined by the Committee. For a Qualified Option, the Option Price must not be less than Fair Market Value as of the date of the option grant as determined by the Committee.

The 2022 Plan will be in effect for a period of ten (10) years from March 30, 2022, the date the 2022 Plan was approved by the Company's Board of Directors. Except for limitations applicable to certain Qualified Options, the option grants would be exercisable for a period of up to 10 years after issuance unless the specific option grant sets a shorter period of time.

SAR's do not create an option for the purchase of stock but, instead, represent a right of the recipient to realize a cash reward to the extent the value of the Company's stock increases while the award is in effect. The effect of a SAR is to allow the recipient to benefit from appreciation in the stock value without diluting the ownership of the Company's shareholders. A SAR can be in effect for a period of time the Committee deems appropriate up to ten (10) years.

For Non-Qualified Option, the recipient will recognize ordinary income for federal income tax purposes when the Option is exercised assuming the value of the stock at exercise is greater than the Option Price. The Company will receive a tax deduction at the time the option is exercised by the participant. For Qualified Options, the recipient has the opportunity to realize long-term capital gains tax treatment if specific requirements of the Internal Revenue Code are satisfied and the Company will receive a tax deduction at the time the option is exercised by the participant.

<p><b>THE BOARD OF DIRECTORS RECOMMENDS A VOTE TO APPROVE THE 2022 EMPLOYEE STOCK INCENTIVE PLAN</b></p>
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### **CODE OF ETHICS**

The Company and the Bank have a code of ethics policy and a conflict-of-interest policy that applies to all employees, directors and officers of the Company and the Bank. The purpose of the code of ethics and conflict of interest policies, among other things, is to provide written standards that are reasonably designed to deter wrongdoing and to promote honest and ethical



conduct, compliance with applicable governmental laws, rules and regulations, and accountability for adherence to the code of ethics and conflict of interest policies. The code of ethics and conflicts of interest policies are available on the Bank's internet website at [www.fcbanktn.bank](http://www.fcbanktn.bank); any person may request a copy from the Company without charge by writing to the Company in care of Tyler Clinch, President, First Community Corporation, 809 West Main Street, Rogersville, Tennessee 37857.

## **COMPENSATION OF EMPLOYEES AND DIRECTORS**

### **Employee Compensation**

As of December 31, 2021, there are no outstanding stock options granted to employees of the Company or the Bank. There were 20,000 options exercised by employees during the year ending December 31, 2021. These options were issued under the Company's 1994 Stock Option Plan.

The Company is a party to employment agreements with one (1) of its officers. The Company is a party to change of control agreements, non-competition agreements, and supplemental executive retirement agreements and deferred compensation arrangements with some of its key officers.

### **Director Compensation**

During 2021, members of the Board of Directors earned a fee of \$750 for each regularly scheduled Company board meeting attended, \$750 for each regularly scheduled Bank board meeting attended, and \$750 for each special called board meeting attended. Members are reimbursed for out-of-pocket expenses incurred in their service as directors. In addition, board members who are not officers or employees of the Company or Bank earned a fee during 2021 of \$150 for each committee meeting attended, and inside directors earned a fee of \$150 for each committee meeting attended after normal business hours. Bank fees are currently being paid on a quarterly basis. For financial statement purposes, all Director fees for the Company and the Bank are regularly accrued as earned notwithstanding any delays in actual payment.

As of December 31, 2021, there were outstanding 55,500 stock options granted to outside directors in 2019 (See "THE COMPANY'S STOCK INCENTIVE PLANS). The options granted to Outside Directors in 2019 vest and become exercisable over a period of five (5) years in annual increments of 20% each on the anniversary date of the original grant except for options that were granted to David Lunceford. Mr. Lunceford, who retired from the Board in 2021 after reaching the mandatory retirement age, was granted 15,000 options. According to provisions of the plan, a director has 3 years from the date of retirement to exercise any options which are fully vested. As such, on February 23, 2022, the Board of Directors voted affirmatively to accelerate Mr. Lunceford's vesting schedule with all options to be fully vested by 2023. No options were exercised by directors during the year ending December 31, 2021.

## **THE COMPANY'S STOCK INCENTIVE PLANS**

### **1994 Stock Option Plan**

If approved, the 2022 Employee Stock Incentive Plan will replace the Company's 1994 Stock Option Plan.

## 1994 Outside Directors' Stock Option Plan

The 1994 Outside Directors' Stock Option Plan (the "Directors' Plan") was adopted in 1994 to promote the long-term success of the Company and the shareholders by attracting and retaining highly qualified non-employee directors. Options to purchase common stock of the Company are granted to duly elected directors of the Company who are not employees of the Company or its subsidiaries under the Directors' Plan. The Directors' Plan provides non-employee directors with the ability to increase their ownership interest in the Company's long-term prospects and to align themselves more closely with the interests of the Company's shareholders by granting non-qualified stock options of the Company. The Directors' Plan provides by its terms, that each person who was a non-employee director of the Company in April 1994 received an option to purchase 2,500 shares of the Company's common stock, no par value. This option was exercisable immediately. In addition, on the first business day following the annual meeting of shareholders of each of the years 1994 through and including 1998, each outside director immediately following such annual meeting was granted an option to purchase 500 shares of stock. The options issued from 1994 through 1998 vest at a rate of 20% per year on the anniversary date on which they were granted, and the options have been adjusted for any stock splits declared after the date of the grant. The exercise price of all options equals the fair market value of the Company's common stock on the day of the annual meeting of shareholders. The options under the Directors' Plan are non-statutory options intended not to qualify as incentive stock options under Section 422 of the Internal Revenue Code.

An aggregate of 225,000 shares (as adjusted for stock splits) are reserved for grants of options pursuant to the Directors' Plan. In 2019, options for a total of 64,500 shares were granted to Outside Directors, of which an option for 9,000 shares was subsequently surrendered due to a director resignation. As of December 31, 2021, options to acquire an aggregate of 55,500 shares have been granted in the Plan and there are 67,500 shares remaining under the Directors' Plan for which options may be granted. No options were exercised by directors during the year ending December 31, 2021.

The total number of shares subject to the Directors' Plan and the number covered under each individual option is subject to automatic adjustment in the event of stock dividends, recapitalizations, mergers, consolidations, split-ups, combinations or exchanges of shares and the like, as determined by the Board of Directors. If any non-employee director ceases to be a director as a result of death or total disability while holding an option that has not expired and has not been fully exercised, such person or such person's executors, administrators, heirs, personal representative, conservator or distributees may, for (a) a period of one year after the date of such death or one year from the termination of services from such total disability, or (b) until the expiration of the stated term of such option, whichever period of time is shorter, exercise the option to the extent such option was vested as of the date of death or termination of services resulting from such disability. If any non-employee director ceases to be a director by reason of retirement while holding an option that has not expired and has not been fully exercised, such director may for (a) a period of three years after the date of such retirement, or (b) until the expiration of the stated term of such option, whichever period of time is shorter, exercise the option to the extent such option was vested as of the date of retirement. The options will also vest and become fully exercisable upon a change of control or potential change of control (as defined in the Directors' Plan) if the Board or its designated committee administering the Directors' Plan determines that a change of control or potential change of control has occurred.

The Directors' Plan was extended through June 30, 2026, by action of the Company's shareholders at the 2016 Annual Shareholders Meeting.

## **MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES**

There are no standing committees of the Board of Directors of the Company, but the Bank has established a standing Audit Committee, Compensation Committee, and Nominating Committee. The Audit and Compensation Committees undertake certain corresponding responsibilities on behalf of the Boards of both the Company and the Bank and provide reports to the directors of both the Company and the Bank.

In addition to the standing Audit, Compensation, and Nominating Committees, the Bank has established several other committees on which various directors and executive officers serve. These additional committees include the Executive Committee (which may exercise the authority of the Board of Directors, to the extent permitted by law, in the management of the Bank between meetings of the Board of Directors), Data Processing Committee, Disaster Recovery Committee, Investment Committee, Loan Committee, Risk Management Committee, Management Committee, Asset/Liability Management Committee, CECL Committee, Information Security Committee, Strategic Planning Committee and the Social Media Strategy Committee.

### **Audit Committee**

The Audit Committee is comprised of Ms. Richards, Mr. Johnson, Mr. Young and Mr. Cleek. Ms. Richards chaired the committee in 2021. Ms. Clinch and other staff may also attend the committee's meetings at the committee's invitation to report on Company and Bank matters. The committee is responsible for recommending the Company's and Bank's independent auditors, reviewing with the independent auditors the scope and results of the audit engagement, and generally establishing and monitoring the Company's and Bank's financial policies, internal financial control procedures and integrity of financial reporting. Prior to the public release of annual and quarterly financial information, the Committee discusses with management and the independent accountants the results of the independent accountants' audit or review procedures associated with this information. As well, the Committee pre-approves all audit and non-audit services to be performed by the independent accountants. The Committee is comprised of directors who are "independent," as defined by the NASDAQ Marketplace Rules and who are able to exercise independent judgment as committee members. No member of the Audit Committee, other than in his capacity as a member of the Board of Directors or Audit Committee, may accept any consulting, advisory or other compensatory fee from the Company or Bank. The Audit Committee has adopted an Audit Committee charter, a copy of which is available to shareholders upon written request to the President of the Company. During 2021, the Audit Committee met four (4) times.

### **Compensation Committee**

The Compensation Committee is comprised of Mr. Johnson, Mr. Lawson, Mr. Droke, Mr. Young, Ms. Richards, Mr. Cleek and is chaired by Ms. Clinch. The Committee is responsible for recommending to the Boards of the Company and the Bank the officers' salaries, bonuses, and other compensation, and for administering the Company's stock option plans. During 2021, the Compensation Committee met one (1) time.

## **Nominating Committee**

The Nominating Committee is comprised of Mr. Droke, Mr. Johnson, Mr. Lawson, Ms. Richards, Mr. Cleek, Mr. Young and is chaired by Ms. Clinch. The Committee is responsible for reviewing the qualifications and making recommendations to the Company's and Bank's boards of persons eligible to stand for election as director. The Committee does not accept unsolicited recommendations for director nominees from shareholders. The Committee members seek to identify potential candidates for membership on the Company's Board of Directors through conversations with other currently serving directors, senior management, and other members of the communities served by the Company. The Company considers characteristics and suitability in nominees that are standard for bank and bank holding company directors, including requirements for directors set forth by the agencies that regulate the Company and the Bank. The Nominating Committee meets on an as-needed basis when convened by its chairman. During 2021, the committee met one (1) time. The members of the Committee, except for Ms. Clinch, who is an officer of the Company, are independent directors.

The current members of the Nominating Committee, which includes the above-named directors is comprised of six (6) outside and one (1) inside directors. The Nominating Committee unanimously approved the nominees for the Board of Directors proposed and recommended for election at the 2022 Annual Meeting of shareholders.

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

The Company's directors and officers, as well as business organizations and individuals affiliated with them, are customers of the Bank. All loan transactions to such individuals and entities are made in the ordinary course of business and on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated borrowers and do not involve more than the normal risk of repayment or present any other unfavorable features.

There are no cases in which aggregate received extensions of credit outstanding to any one director or officer and his or her affiliates exceed 1.5% of the equity capital of the Bank. As of December 31, 2021, the total amount of credit extended to directors and officers was **\$200,000** or approximately **1.0%** of the equity capital of the bank.

## **LITIGATION**

The Bank and Company are subject to claims and lawsuits which arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of any such claims and lawsuits which are presently pending will not have a material adverse effect on the financial position of the Bank or Company.

## **FDIC DISCLOSURE STATEMENT**

A copy of our 2021 Annual Report to Shareholders, which also serves as our 2021 Annual Disclosure Statement required by the Federal Deposit Insurance Corporation, will be provided to any Shareholder upon request. Please note that the Annual Report has not been reviewed for accuracy or relevance by the FDIC. The report is also posted on the Bank's website at [www.fcbanktn.bank](http://www.fcbanktn.bank). Written requests for copies should be directed to Tyler Clinch, President,

First Community Corporation, 809 West Main Street, Rogersville, Tennessee 37857 (Telephone: 423-272-5800).

**WHERE TO OBTAIN OTHER INFORMATION  
ABOUT THE COMPANY**

Shareholders may obtain additional information about the Company by contacting Tyler Clinch, President, First Community Corporation, 809 West Main Street, Rogersville, Tennessee 37857 (Telephone: 423-272-5800).

## APPENDIX A

### FIRST COMMUNITY CORPORATION

#### 2022 Employee Stock Incentive Plan

##### 1. Establishment and Purpose.

The purpose of the First Community Corporation 2022 Employee Stock Incentive Plan (the “Plan”) is to promote the interests of First Community Corporation (the “Company”) and the stockholders of the Company by providing key employees of the Company and its subsidiaries with appropriate incentives and rewards to encourage them to enter into and continue in the employ or service of the Company, to acquire a proprietary interest in the long-term success of the Company and to reward the performance of individuals in fulfilling long-term corporate objectives.

This Plan replaces the Company’s 1994 Stock Option Plan.

##### 2. Administration of the Plan.

The Plan shall be administered by the Compensation Committee of the Board of Directors, or by the Board of Directors acting as the Committee under this Plan, or by another committee specifically appointed by the Board of Directors to act as the Committee under this Plan (the “Committee”). The Committee shall have the authority, in its sole discretion, subject to and not inconsistent with the express terms and provisions of the Plan, to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation, the following actions and decisions:

the authority to grant Awards;

to determine the persons to whom and the time or times at which Awards shall be granted;

to determine the type and number of Awards to be granted (including whether an Option granted is an Incentive Stock Option or a Nonqualified Stock Option);

to determine the number of shares of stock to which an Award may relate and the terms, conditions, restrictions and performance criteria, if any, relating to any Award;

to determine whether, to what extent, and under what circumstances an Award may be settled, cancelled, forfeited, exchanged or surrendered;

to determine whether and under what circumstances a Stock Option may be settled in cash, notes or other instruments;

to determine whether, to what extent and under what circumstances Option grants and/or other awards under the Plan and/or other cash awards made by the Corporation are to be made, and operate, on a tandem basis vis-a-vis other awards

under the Plan and/or cash awards made outside of the Plan, or on an additive basis;

to make adjustments in the performance goals that may be required for any award in recognition of unusual or nonrecurring events affecting the Company or the financial statements of the Company, or in response to changes in applicable laws, regulations, or accounting principles;

to construe and interpret the Plan and any Award;

to prescribe, amend and rescind rules and regulations relating to the Plan; and

to determine the terms and provisions of Agreements; and to make all other determinations deemed necessary or advisable for the administration of the Plan.

The Committee may, in its absolute discretion, without amendment to the Plan, (a) accelerate the date on which any Option granted under the Plan becomes exercisable, waive or amend the operation of Plan provisions respecting exercise after termination of employment, or otherwise adjust any of the terms of such Option, and (b) accelerate the vesting date, or waive any condition imposed hereunder, with respect to any Option other Award or otherwise adjust any of the terms applicable to any such Award. Notwithstanding the foregoing, and subject to Sections 8(c) and 8(d), neither the Board of Directors, the Committee nor their respective delegates shall have the authority to re-price (or cancel and/or re-grant) any Option or Stock Appreciation Right at a lower exercise, base or purchase price without first obtaining the approval of the Company's stockholders.

All decisions, determinations and interpretations of the Committee or the Board of Directors shall be final and binding on all persons with any interest in an Award, including the Company and the Participant (or any person claiming any rights under the Plan from or through any Participant). No member of the Committee or the Board of Directors shall be liable for any action taken or determination made in good faith with respect to the Plan or any Award.

3. Definitions. For purposes of the Plan, the following terms shall be defined as set forth below.

(a) "Agreement" shall mean the written agreement between the Company and a Participant evidencing an Award.

(b) "Award" or "Grant" shall mean any Option or Stock Appreciation Right granted pursuant to the terms of the Plan.

(c) "Board of Directors" shall mean the Board of Directors of the Company.

(d) "Cause" shall mean a termination of a Participant's employment by the Company or any of its Subsidiaries due to (i) the continued failure, after written notice, by such Participant substantially to perform his or her duties with the Company or any of its Subsidiaries (other than any such failure resulting from incapacity due to reasonably documented physical illness or injury or mental illness), (ii) the engagement by such Participant in serious misconduct that causes, or in the good faith judgment of the Board of Directors may cause, harm (financial or otherwise) to the Company or any Subsidiary including, without limitation, the disclosure of material secret or confidential information of the Company or any Subsidiary or (iii) the material

breach by the Participant of any agreement between such Participant, on the one hand, and the Company, on the other hand. Notwithstanding the above, with respect to any Participant who is a party to an employment agreement with the Company, Cause shall have the meaning set forth in such employment agreement.

(e) A “Change in Control” shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(i) any Person is or becomes the “Beneficial Owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company) representing **50%** or more of the Company’s then outstanding securities, excluding any Person who becomes such Beneficial Owner in connection with a transaction described in clause (A) or clause (B) of paragraph (ii) below; or

(ii) the Company enters into a merger, consolidation or combination of the Company with any other unaffiliated corporation or entity in which either or both of the following occurs: (A) the Board of Directors of the Company immediately prior to such merger, consolidation or combination will constitute less than a majority of the board of directors of the surviving, new or controlled entity, or (B) less than 75% of the voting securities of the surviving, new or combined entity will be Beneficially Owned by the stockholders of the Company immediately prior to a such merger, consolidation or combination; or

(iii) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company’s assets to an independent third party.

(f) “Code” shall mean the Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder. References in the Plan to specific sections of the Code shall be deemed to include any successor provisions thereto.

(g) “Committee” shall mean, Compensation Committee of the Board of Directors, or the non-employee members of the Board of Directors acting as the Committee, or by another committee specifically appointed by the Board of Directors to act as the Committee under this Plan; in each instance such Committee to consist of two or more persons, each of whom, unless otherwise determined by the Board of Directors, is a “nonemployee director” within the meaning of Rule 16b-3.

(h) “Common Stock” shall mean the common stock of the Company.

(i) “Company” shall mean First Community Corporation, a Tennessee corporation, and each of its Subsidiaries.

(j) “Disability” shall mean permanent disability as determined pursuant to the Company’s long-term disability plan or policy in effect at the time of such disability.

(k) “Effective Date” shall mean March 30, 2022, the date on which this Plan was adopted by the Board of Directors.



(l) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended from time to time.

(m) “Fair Market Value” of a share of Common Stock, as of a date of determination, shall mean the closing price as reported on the *OTC Markets*, [www.otcmarkets.com](http://www.otcmarkets.com) (“OTC Markets”) or in the *Pink Markets* in the over-the-counter market for the last preceding date on which there was a sale of such stock in such market, or if the shares of Common Stock are not then quoted or traded in OTC Markets, the Pink Markets, or an over-the-counter market platform, or the value of such shares is not otherwise determinable, such value as determined by the Committee in good faith upon the advice of a qualified valuation expert.

(n) “For Good Reason” shall mean (i) a material change in a Participant’s reporting responsibilities or titles in effect at such time which results in a reduction of his responsibilities or position; (ii) the reduction of a Participant’s annual salary or any level of benefits or supplemental compensation; or (iii) the transfer of a Participant to a location requiring a change in his residence or a material increase in the amount of travel normally required of a Participant in connection with his employment.

(o) “Incentive Stock Option” shall mean an Option that is an “incentive stock option” within the meaning of Section 422 of the Code, or any successor provision, and that is designated by the Committee as an Incentive Stock Option.

(p) “Key Employees” shall mean those employees of the Company and Subsidiary having authority and responsibility for planning, directing and controlling the activities of the Company and/or Subsidiary including but not limited to responsibility for identifying, measuring, monitoring and controlling risk, and who the Committee determines, in its discretion and judgment, to be deserving recipients of Grants under this Plan.

(q) “Nonemployee Director” shall mean a member of the Board of Directors who is not an employee of the Company.

(r) “Nonqualified Stock Option” shall mean an Option other than an Incentive Stock Option.

(s) “Option” shall mean an option to purchase shares of Common Stock granted pursuant to Section 6(b) or Section 6(c).

(t) “Participant” shall mean an employee of the Company or its Subsidiaries to whom an Award is granted pursuant to the Plan, and, upon the death of the employee, his or her successors, heirs, executors and administrators, as the case may be.

(u) “Person” shall have the meaning set forth in Section 3(a)(9) of the Exchange Act, except that such term shall not include (1) the Company, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, or (4) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(v) “Retirement” shall mean the termination of a Participant’s employment with the Company or a Subsidiary (other than for Cause) during or after the calendar year in which a

Participant has reached or will reach age 55 with minimum of ten (10) years of service with the Company.

(w) “Rule 16b-3” shall mean the Rule 16b-3 promulgated under the Exchange Act, as amended from time to time.

(x) “Securities Act” shall mean the Securities Act of 1933, as amended from time to time.

(y) “Stock Appreciation Right” shall mean the right, granted to a Participant under Section 6(d), to be paid an amount measured by the appreciation in the Fair Market Value of a share of Common Stock from the date of grant to the date of exercise of the right, with payment to be made in cash and/or a share of Common Stock, as specified in the Award or as determined by the Committee.

(z) “Subsidiary” shall mean First Community Bank of East Tennessee and any other “subsidiary corporation” within the meaning of Section 424(f) of the Code.

#### 4. Stock Subject to the Plan.

(a) Shares Available for Awards. The maximum aggregate number of shares of Common Stock reserved for issuance under the Plan (including all Options and Stock Appreciation Rights) shall be two hundred fifty thousand (250,000) shares. Shares reserved under the Plan may be authorized but unissued Common Stock or authorized and issued Common Stock held in the Company’s treasury. The Committee may direct that any stock certificate evidencing shares issued pursuant to the Plan shall bear a legend setting forth such restrictions on transferability as may apply to such shares pursuant to the Plan.

(b) Adjustment for Change in Capitalization. In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, Common Stock, or other property), recapitalization, Common Stock split, reverse Common Stock split, reorganization, merger, consolidation, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event has occurred, then the Committee shall make such equitable changes or adjustments as it deems necessary or appropriate to any or all of (1) the number and kind of shares of Common Stock which may thereafter be issued in connection with Awards, (2) the number and kind of shares of Common Stock, securities or other property (including cash) issued or issuable in respect of outstanding Awards, (3) the exercise price, grant price or purchase price relating to any Award, and (4) the maximum number of shares subject to Awards which may be awarded to any employee during any tax year of the Company; provided that, with respect to Incentive Stock Options, any such adjustment shall be made in accordance with Section 424 of the Code; and provided further that, no such adjustment shall cause any Award hereunder which is or could be subject to Section 409A of the Code to fail to comply with the requirements of such section.

(c) Reuse of Shares. Except as set forth below, if any shares subject to an Award are forfeited, cancelled, exchanged or surrendered, or if an Award terminates or expires without a distribution of shares to the Participant, the shares of stock with respect to such Award shall, to the extent of any such forfeiture, cancellation, exchange, surrender, withholding, termination or expiration, again be available for Awards under the Plan. Notwithstanding the foregoing, upon the exercise of any Award granted in tandem with any other Awards, such related Awards shall

be cancelled to the extent of the number of shares of Common Stock as to which the Award is exercised and such number of shares shall no longer be available for Awards under the Plan. In addition, notwithstanding the forgoing, the shares of stock surrendered or withheld as payment of either the exercise price of an Option (including shares of stock otherwise underlying an Award of a Stock Appreciation Right that are retained by the Company to account for the appreciation base of such Stock Appreciation Right) and/or withholding taxes in respect of an Award shall no longer be available for Awards under the Plan.

5. Eligibility.

The persons who shall be eligible to receive Awards pursuant to the Plan shall be the individuals the Committee shall select from time to time who are Key Employees of the Company and its Subsidiaries.

6. Awards Under the Plan.

(a) Agreement. The Committee may grant Awards in such amounts and with such terms and conditions as the Committee shall determine in its sole discretion, subject to the terms and provisions of the Plan. Each Award granted under the Plan shall be evidenced by an Agreement as the Committee may in its sole discretion deem necessary or desirable and unless the Committee determines otherwise, such Agreement must be signed, acknowledged and returned by the Participant to the Company. Unless the Committee determines otherwise, any failure by the Participant to sign and return the Agreement within such period of time following the granting of the Award as the Committee shall prescribe shall cause such Award to the Participant to be null and void. By accepting an Award or other benefits under the Plan (including participation in the Plan), each Participant, shall be conclusively deemed to have indicated acceptance and ratification of, and consent to, all provisions of the Plan and the Agreement.

(b) Stock Options.

(i) Grant of Stock Options. The Committee may grant Options under the Plan to purchase shares of Common Stock in such amounts and subject to such terms and conditions as the Committee shall from time to time determine in its sole discretion, subject to the terms and provisions of the Plan. The exercise price of the shares purchasable under a Non-Qualified Option shall be determined by the Committee, and may be less than the Fair Market Value per share on the grant date of such Option. Subject to Section 6(c) below, the exercise price of shares under an Incentive Stock Option shall be not less than Fair Market Value per share on the grant date of such Option. The date as of which the Committee adopts a resolution granting an Option shall be considered the day on which such Option is granted unless such resolution specifies a later date.

(ii) Identification. Each Option shall be clearly identified in the applicable Agreement as either an Incentive Stock Option or a Nonqualified Stock Option and shall state the number of shares of Common Stock to which the Option (and/or each type of Option) relates.

(c) Special Requirements for Incentive Stock Options.

(i) To the extent that the aggregate Fair Market Value of shares of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by a

Participant during any calendar year under the Plan and any other stock option plan of the Company shall exceed \$100,000, such Options shall be treated as Nonqualified Stock Options. Such Fair Market Value shall be determined as of the date on which each such Incentive Stock Option is granted.

(ii) No Incentive Stock Option may be granted to an individual if, at the time of the proposed grant, such individual owns (or is deemed to own under the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company unless (A) the exercise price of such Incentive Stock Option is at least 110% of the Fair Market Value of a share of Common Stock at the time such Incentive Stock Option is granted and (B) such Incentive Stock Option is not exercisable after the expiration of five years from the date such Incentive Stock Option is granted.

(iii) Notwithstanding any other provision in this Plan to the contrary, no term of this Plan relating to Incentive Stock Options shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be so exercised, so as to disqualify the Plan under Section 422 of the Code, or, without the consent of the optionee(s) affected, to disqualify any Incentive Stock Option under such Section 422.

(d) Stock Appreciation Rights.

(i) The Committee may grant a Stock Appreciation Right separate from or in connection with all or any part of an Option granted under the Plan, either at the time such Option is granted or at any time thereafter prior to the exercise, termination or cancellation of such Option, and subject to such terms and conditions as the Committee shall from time to time determine in its sole discretion, consistent with the terms and provisions of the Plan; provided, however, that in no event shall the appreciation base of the shares of Common Stock subject to the Stock Appreciation Right be less than the Fair Market Value per share on the grant date of such Stock Appreciation Right. The holder of a Stock Appreciation Right which is related to or in tandem with an Option shall, subject to the terms and conditions of the Plan and the applicable Agreement, have the right by exercise thereof to surrender to the Company for cancellation all or a portion of such related Stock Appreciation Right, but only to the extent that the related Option is then exercisable, and to be paid therefor an amount equal to the excess (if any) of (i) the aggregate Fair Market Value of the shares of Common Stock subject to the related Stock Appreciation Right or portion thereof surrendered (determined as of the exercise date), over (ii) the aggregate appreciation base of the shares of Common Stock subject to the Stock Appreciation Right or portion thereof surrendered. Upon any exercise of a related Stock Appreciation Right or any portion thereof, the number of shares of Common Stock subject to the related Option shall be reduced by the number of shares of Common Stock in respect of which such Stock Appreciation Right shall have been exercised.

(ii) The Committee may grant unrelated Stock Appreciation Rights in such amount and subject to such terms and conditions, as the Committee shall from time to time determine in its sole discretion, subject to the terms and provisions of the Plan; provided, however, that in no event shall the appreciation base of the shares of Common Stock subject to the Stock Appreciation Right be less than the Fair Market Value per share on the grant date of such Stock Appreciation Right. The holder of an unrelated Stock Appreciation Right shall, subject to the terms and conditions of the Plan and the applicable Agreement, have the right to surrender to the Company for cancellation all or a portion of such Stock Appreciation Right, but only to the extent that such Stock Appreciation Right is then exercisable, and to be paid therefor

an amount equal to the excess (if any) of (x) the aggregate Fair Market Value of the shares of Common Stock subject to the Stock Appreciation Right or portion thereof surrendered (determined as of the exercise date), over (y) the aggregate appreciation base of the shares of Common Stock subject to the Stock Appreciation Right or portion thereof surrendered.

(iii) The grant or exercisability of any Stock Appreciation Right shall be subject to such conditions as the Committee, in its sole discretion, shall determine.

(e) Exercisability of Awards; Cancellation of Awards in Certain Cases.

(i) Except as hereinafter provided, each Agreement with respect to an Option or Stock Appreciation Right shall set forth the period during which and the conditions subject to which the Option or Stock Appreciation Right evidenced thereby shall be exercisable.

(ii) No Option or Stock Appreciation Right may be exercised and no shares of Common Stock underlying any other Award under the Plan may vest or become deliverable more than ten (10) years after the date of grant (the "Stated Expiration Date").

(iii) No Option or Stock Appreciation Right shall be granted on or after the tenth anniversary of the date of stockholder approval of this Plan but Awards granted prior to such tenth anniversary may extend beyond that date in accordance with the terms of such Awards and this Plan.

(iv) Except as provided in Section 7 hereof, no Option or Stock Appreciation Right may be exercised and no shares of Common Stock underlying any other Award under the Plan may vest or become deliverable unless the Participant is at such time in the employ of the Company or a Subsidiary (or a company, or a parent or subsidiary company of such company, issuing or assuming the relevant right or award in a Change in Control) and has remained continuously so employed or in service since the relevant date of grant of the Award.

(v) An Option or Stock Appreciation Right shall be exercisable by the filing of a written notice of exercise or a notice of exercise in such other manner with the Company, on such form and in such manner as the Committee shall in its sole discretion prescribe, and by payment in accordance with Section 6(f) hereof.

(vi) Unless the applicable Agreement provides otherwise, the "Option exercise date" and the "Stock Appreciation Right exercise date" shall be the date that the written notice of exercise, together with payment, are received by the Company.

(f) Payment of Award Price.

(i) Unless the applicable Agreement provides otherwise or the Committee in its sole discretion otherwise determines, any written notice of exercise of an Option or Stock Appreciation Right must be accompanied by payment of the full Option or Stock Appreciation Right exercise price.

(ii) Payment of the Option exercise price and of any other payment required by the Agreement to be made pursuant to any other Award shall be made in any combination of the following: (a) by certified or official bank check payable to the Company (or the equivalent thereof acceptable to the Committee), (b) with the consent of the Committee in its sole

discretion, by personal check (subject to collection) which may in the Committee's discretion be deemed conditional, (c) unless otherwise provided in the applicable Agreement, and as permitted by the Committee, by delivery of previously-acquired shares of Common Stock owned by the Participant having a Fair Market Value (determined as of the Option exercise date, in the case of Options, or other relevant payment date as determined by the Committee, in the case of other Awards) equal to the portion of the exercise price being paid thereby; and/or (d) unless otherwise provided in applicable agreement, and as permitted by the Committee, on a net-settlement basis with the Company withholding the amount of Common Stock sufficient to cover the exercise price and tax withholding obligation. Payment may be deemed to be satisfied, if and to the extent that the applicable Agreement so provides or the Committee permits, by delivery to the Company of an assignment of a sufficient amount of the proceeds from the sale of Common Stock to be acquired pursuant to the Award to pay for all of the Common Stock to be acquired pursuant to the Award and an authorization to the broker or selling agent to pay that amount to the Company and to effect such sale at the time of exercise or other delivery of shares of Common Stock.

## 7. Cessation of Employment.

(a) Termination by Death. Subject to the provisions applicable to Incentive Stock Options, if a Participant's employment by the Company and any Subsidiary terminates by reason of death, any Stock Option held by such Participant may thereafter be exercised, to the extent such option was exercisable at the time of death or on such accelerated basis as the Committee may determine at or after grant by the legal representative of the estate or by the legatee of the Participant under the will of the Participant, for a period of one year (or such other period as the Committee may specify at grant) from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter. Transfer of a deceased Participant's rights under any Stock Option shall be governed by Section 16(a) of this Plan.

(b) Termination by Reason of Disability. Subject to the provisions applicable to Incentive Stock Options, if a Participant's employment by the Company and any Subsidiary terminates by reason of Disability, any Stock Option held by such Participant may thereafter be exercised by the Participant, to the extent it was exercisable at the time of termination or on such accelerated basis as the Committee may determine at or after grant for a period of one year (or such other period as the Committee may specify at grant) from the date of such termination of employment or until the expiration of the stated term of such Stock Option, whichever period is the shorter; provided, however, that, if the Participant dies within such one year period (or such other period as the Committee shall specify at grant), any unexercised Stock Option held by such Participant shall thereafter be exercisable to the extent to which it was exercisable at the time of death for a period of twelve months from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter. In the event of termination of employment by reason of Disability, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a Non-Qualified Stock Option.

(c) Termination by Reason of Retirement. Subject to the provisions applicable to Incentive Stock Options, if a Participant's employment by the Company and any Subsidiary terminates by reason of Retirement, any Stock Option held by such Participant may thereafter be exercised by the Participant, to the extent it was exercisable at the time of such Retirement or on such accelerated basis as the Committee may determine at or after grant for a period of one year (or such longer or shorter period as the Committee in its discretion may specify at grant) from

the date of such termination of employment or the expiration of the stated term of such Stock Option, whichever period is the shorter; provided, however, that, if the Participant dies within such one year period (or such other period as the Committee in its discretion may specify at grant), any unexercised stock Option held by such Participant shall thereafter be exercisable, to the extent to which it was exercisable at the time of death, for a period of twelve months from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is shorter. In the event of termination of employment by reason of Retirement, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, the option will thereafter be treated as a Non-Qualified Stock Option.

(d) Termination By Company Without Cause. Unless otherwise determined by the Committee at or after grant, if a Participant's employment by the Company and any Subsidiary is terminated by the Company or Subsidiary without Cause, any Stock Option held by such Participant shall thereupon terminate, except that any such Stock Option may be exercised, to the extent otherwise then exercisable, for the lesser of three months or the balance of any such Stock Option's term.

(e) Termination By Participant For Good Reason. Unless otherwise determined by the Committee at or after grant, if Participant terminates his employment by the Company and any Subsidiary for Good reason, any Stock Option held by such Participant shall thereupon terminate, except that any such Stock Option may be exercised, to the extent otherwise then exercisable, for the lesser of twelve months or the balance of any such Stock Option's term.

(f) Termination By Company For Cause. If a Participant's employment by the Company and any Subsidiary terminates by reason of Cause, Participant shall be deemed to have automatically forfeited all Options and Awards of any kind then held by Participant under this Plan, and the Participant shall not be entitled to any compensation of any kind as a result of such forfeiture.

(g) Other Termination. Unless otherwise determined by the Committee at or after grant, if a Participant's employment by the Company and any Subsidiary terminates for any reason other than as described in (a), (b), (c), (d), (e), or (f) of this Section 7, any Stock Option held by such Participant shall thereupon terminate, except that such Stock Option may be exercised, to the extent otherwise then exercisable, for the lesser of three months or the balance of such Stock Option's term.

(f) Notwithstanding anything in this Section 7 to the contrary, no Option or Stock Appreciation Right may be exercised and no shares of Common Stock underlying any other Award under the Plan may vest or become deliverable past the Stated Expiration Date (as defined in Section 6(e)(ii)).

## 8. Effect of Change in Control.

Unless otherwise determined in an Award Agreement, in the event of a Change in Control:

(a) With respect to each outstanding Award that is assumed or substituted in connection with a Change in Control, in the event of a termination of a Participant's employment or service by the Company without Cause during the 24-month period following such Change in

Control, on the date of such termination (i) such Award shall become fully vested and, if applicable, exercisable, (ii) the restrictions, payment conditions, and forfeiture conditions applicable to any such Award granted shall lapse, and (iii) any performance conditions imposed with respect to Awards shall be deemed to be fully achieved at target levels.

(b) With respect to each outstanding Award that is not assumed or substituted in connection with a Change in Control, immediately upon the occurrence of the Change in Control, (i) such Award shall become fully vested and, if applicable, exercisable, (ii) the restrictions, payment conditions, and forfeiture conditions applicable to any such Award granted shall lapse, and (iii) any performance conditions imposed with respect to Awards shall be deemed to be fully achieved at target levels

(c) For purposes of this Section 8, an Award shall be considered assumed or substituted for if, following the Change in Control, the Award remains subject to the same terms and conditions that were applicable to the Award immediately prior to the Change in Control except that, if the Award related to Shares, the Award instead confers the right to receive Common Stock of the acquiring entity.

(d) Notwithstanding any other provision of the Plan: (i) in the event of a Change in Control, except as would otherwise result in adverse tax consequences under Section 409A of the Code, the Board of Directors may, in its sole discretion, provide that each Award shall, immediately upon the occurrence of a Change in Control, be cancelled in exchange for a payment in cash or securities in an amount equal to (x) the excess of the consideration paid per Share in the Change in Control over the exercise or purchase price (if any) per Share subject to the Award multiplied by (y) the number of Shares granted under the Award and (ii) with respect to any Award that constitutes a deferral of compensation subject to Section 409A of the Code, in the event of a Change in Control that does not constitute a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company under Section 409A(a)(2)(A)(v) of the Code and regulations thereunder, such Award shall be settled in accordance with its original terms or at such earlier time as permitted by Section 409A of the Code.

## 9. Reserve Powers of Committee.

(a) Notwithstanding any other provision of this Plan, but subject to the rules and requirements applicable to Incentive Stock Options and subject to the legal limitations applicable to this Plan, the Committee shall have the right and discretion to determine the number of shares awarded under each Option and Stock Appreciation Right, the option price applicable to each Option, the base value applicable to each Stock Appreciation Right, the vesting schedule and requirements applicable to each Option and Stock Appreciation Right, the length of time each Option and Stock Appreciation Right shall be exercisable, and the right and discretion to accelerate applicable vesting schedules for particular Options and Stock Appreciation Rights to the extent such acceleration is permissible under applicable law and regulation.

(b) Agreements evidencing Awards under the Plan shall contain such other terms and conditions, not inconsistent with the Plan, as the Committee may determine in its sole discretion, including penalties for the commission of competitive acts or other actions detrimental to the Company. Notwithstanding any other provision hereof, the Committee shall have the right at any time to deny or delay a Participant's exercise of Options or Stock



Appreciation Rights if such Participant is reasonably believed by the Committee (i) to be engaged in material conduct adversely affecting the Company or (ii) to be contemplating such conduct, unless and until the Committee shall have received reasonable assurance that the Participant is not engaged in, and is not contemplating, such material conduct adverse to the interests of the Company.

10. No Special Employment Rights, No Right to Award.

(a) Nothing contained in the Plan or any Agreement shall confer upon any Participant any right with respect to the continuation of employment or service by the Company or interfere in any way with the right of the Company, subject to the terms of any separate employment agreement to the contrary, at any time to terminate such employment or service or to increase or decrease the compensation of the Participant.

(b) No person shall have any claim or right to receive an Award hereunder. The Committee's granting of an Award to a Participant at any time shall neither require the Committee to grant any other Award to such Participant or other person at any time or preclude the Committee from making subsequent grants to such Participant or any other person.

11. Securities Matters.

(a) The Company shall be under no obligation to effect the registration pursuant to the Securities Act of any interests in the Plan or any shares of Common Stock to be issued hereunder or to effect similar compliance under any state laws. Notwithstanding anything herein to the contrary, the Company shall not be obligated to cause to be issued or delivered any certificates evidencing shares of Common Stock pursuant to the Plan unless and until the Company is advised by its counsel that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authority and the requirements of any securities exchange on which shares of Common Stock are traded. The Committee may require, as a condition of the issuance and delivery of certificates evidencing shares of Common Stock pursuant to the terms hereof, that the recipient of such shares make such agreements and representations, and that such certificates bear such legends, as the Committee, in its sole discretion, deems necessary or desirable.

(b) The transfer of any shares of Common Stock hereunder shall be effective only at such time as counsel to the Company shall have determined that the issuance and delivery of such shares is in compliance with all applicable laws, regulations of governmental authority and the requirements of any securities exchange on which shares of Common Stock are traded. The Committee may, in its sole discretion, defer the effectiveness of any transfer of shares of Common Stock hereunder in order to allow the issuance of such shares to be made pursuant to registration or an exemption from registration or other methods for compliance available under federal or state securities laws. The Committee shall inform the Participant in writing of its decision to defer the effectiveness of a transfer. During the period of such deferral in connection with the exercise of an Award, the Participant may, by written notice, withdraw such exercise and obtain the refund of any amount paid with respect thereto.

12. Withholding Taxes.

(a) Whenever cash is to be paid pursuant to an Award, the Company shall have the right to deduct therefrom an amount sufficient to satisfy any federal, state and local withholding tax requirements related thereto.

(b) Whenever shares of Common Stock are to be delivered pursuant to an Award, the Company shall have the right to require the Participant to remit to the Company in cash an amount sufficient to satisfy any federal, state and local withholding tax requirements related thereto. With the approval of the Committee, a Participant may satisfy the foregoing requirement by electing to have the Company withhold from delivery shares of Common Stock having a value equal to the minimum amount of tax required to be withheld. Such shares shall be valued at their Fair Market Value on the date of which the amount of tax to be withheld is determined. Fractional share amounts shall be settled in cash. Such a withholding election may be made with respect to all or any portion of the shares to be delivered pursuant to an Award.

13. Non-Competition, Confidentiality and Non-Solicitation.

By accepting Awards and as a condition to the exercise of Awards and the enjoyment of any benefits of the Plan, including participation therein, each Participant agrees to be bound by and subject to non-competition, confidentiality and non-solicitation agreements acceptable to the Committee or any officer or director to whom the Committee elects to delegate such authority.

14. Notification of Election Under Section 83(b) of the Code.

If any Participant shall, in connection with the acquisition of shares of Common Stock under the Plan, make the election permitted under Section 83(b) of the Code, such Participant shall notify the Company of such election within 10 days of filing notice of the election with the Internal Revenue Service.

15. Amendment or Termination of the Plan.

The Board of Directors or the Committee may, at any time, suspend or terminate the Plan or revise or amend it in any respect whatsoever; provided, however, that the requisite stockholder approval shall be required if and to the extent the Board of Directors or Committee determines that such approval is appropriate or necessary for purposes of satisfying any section of the Code or Rule 16b-3 or other applicable law. Awards may be granted under the Plan prior to the receipt of such stockholder approval of the Plan but each such grant shall be subject in its entirety to such approval and no Award may be exercised, vested or otherwise satisfied prior to the receipt of such approval. No amendment or termination of the Plan may, without the consent of a Participant, adversely affect the Participant's rights under any outstanding Award.

16. Transfers Upon Death; Non-assignability.

(a) A Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Participant, upon the death of a Participant, outstanding Awards granted to such Participant may be exercised only by the executor or administrator of the Participant's estate or by a person who shall have acquired the right to such exercise by will or by the laws of descent and distribution, and only to the extent

permitted by this Plan. Subject to the provisions applicable to Incentive Stock Options, if a Participant's employment by the Company or any Subsidiary terminates by reason of death, any Stock Option held by such Participant may thereafter be exercised, to the extent such option was exercisable at the time of death or on such accelerated basis as the Committee may determine at or after grant (or as may be determined in accordance with procedures established by the Committee), by the legal representative of the estate or by the legatee of the Participant under the will of the Participant, for a period of one year (or such other period as the Committee may specify at grant) from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter.

No transfer of an Award by will or the laws of descent and distribution shall be effective to bind the Company unless the Committee shall have been furnished with written notice thereof and with a copy of the will and/or such evidence as the Committee may deem necessary to establish the validity of the transfer and an agreement by the transferee to comply with all the terms and conditions of the Award that are or would have been applicable to the Participant and to be bound by the acknowledgments made by the Participant in connection with the grant of the Award.

(b) During a Participant's lifetime, the Committee may, in its discretion, pursuant to the provisions set forth in this clause (b), permit the transfer, assignment or other encumbrance of an outstanding Option unless such Option is an Incentive Stock Option and the Committee and the Participant intends that it shall retain such status.

17. Effective Date and Term of Plan.

The Plan shall become effective on the Effective Date, but the Plan shall be subject to the requisite approval of the stockholders of the Company at the Company's next annual meeting of its stockholders. In the absence of such approval, such Awards shall be null and void. Unless earlier terminated by the Board of Directors, the right to grant Awards under the Plan shall terminate on the tenth anniversary of the Effective Date, which is March 30, 2032. Awards outstanding at Plan termination shall remain in effect according to their terms and the provisions of the Plan.

18. Applicable Law.

Except to the extent preempted by any applicable federal law, the Plan shall be construed and administered in accordance with the laws of the State of Tennessee without reference to its principles of conflicts of law.

19. Participant Rights.

(a) No Participant shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment for Participants. Except as provided specifically herein, a Participant or a transferee of an Award shall have no rights as a stockholder with respect to any shares covered by any award until the date of the issuance of a Common Stock certificate to him or her for such shares.

(b) Determinations by the Committee under the Plan relating to the form, amount and terms and conditions of grants and Awards need not be uniform, and may be made selectively

among persons who receive or are eligible to receive grants and awards under the Plan, whether or not such persons are similarly situated.

#### 20. Unfunded Status of Awards.

The Plan is intended to constitute an “unfunded” plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Agreement shall give any such Participant any rights that are greater than those of a general creditor of the Company.

#### 21. No Fractional Shares.

No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, other Awards, or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

#### 22. Interpretation.

The Plan is designed and intended to the extent applicable, to comply with the Code, and to provide for grants and other transactions which are exempt under Rule 16b-3, and all provisions hereof shall be construed in a manner to so comply. Awards under the Plan are intended to comply with Code Section 409A to the extent subject thereto and the Plan and all Awards shall be interpreted in accordance with Code Section 409A and Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date of the Plan. Notwithstanding any provision in the Plan to the contrary, no payment or distribution under this Plan that constitutes an item of deferred compensation under Code Section 409A and becomes payable by reason of a Participant’s termination of employment or service with the Company will be made to such Participant until such Participant’s termination of employment or service constitutes a “separation from service” (as defined in Code Section 409A). For purposes of this Plan, each amount to be paid or benefit to be provided shall be construed as a separate identified payment for purposes of Code Section 409A. If a participant is a “specified employee” (as defined in Code Section 409A), then to the extent necessary to avoid the imposition of taxes under Code Section 409A, such Participant shall not be entitled to any payments upon a termination of his or her employment or service until the earlier of: (i) the expiration of the six (6)-month period measured from the date of such Participant’s “separation from service” or (ii) the date of such Participant’s death. Upon the expiration of the applicable waiting period set forth in the preceding sentence, all payments and benefits deferred pursuant to this Section 22 (whether they would have otherwise been payable in a single lump sum or in installments in the absence of such deferral) shall be paid to such Participant in a lump sum as soon as practicable, but in no event later than sixty (60) calendar days, following such expired period, and any remaining payments due under this Plan will be paid in accordance with the normal payment dates specified for them herein.

This Plan was approved and adopted by the Board of Directors on the 30<sup>th</sup> day of March 2022.