

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

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JUNE 13, 2023**

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TO THE SHAREHOLDERS OF FIRST COMMUNITY CORPORATION:

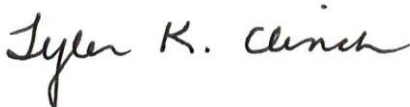
NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of First Community Corporation (the "Company") will be held at Hawkins County Natural Gas, 202 Park Boulevard, Rogersville, Tennessee, 37857, on **Tuesday, June 13, 2023**, at 9:00 a.m. (local time) for the following purposes:

- (1) To elect eight (8) 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's Independent Certified Public Accountants; and
- (3) 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 14, 2023**, 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 14, 2023

**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, June 13, 2023**, 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 25, 2023**. 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 14, 2023**, the Company has issued and outstanding 1,615,562 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 14, 2023**, 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, 2022, 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<br>On December 31, 2022 | PERCENTAGE OF SHARES OUTSTANDING |
|---|---|----------------------------------|
| Tyler K. Clinch<br>1101 Laurel Pond Lane<br>Kingsport, TN. 37660 (1)        | 32,700  | 1.98%                            |
| Steve L. Droke<br>400 High Ridge Road<br>Kingsport, TN. 37660               | 20,500  | 1.24%                            |
| Dr. David R. Johnson (1) (2)<br>2608 Suffolk Street<br>Kingsport, TN. 37660 | 46,167  | 2.80%                            |
| Sidney K. Lawson (1)<br>P.O. Box 700<br>Rogersville, TN. 37857              | 105,400   | 6.38%                            |
| Kathy M. Richards (1)<br>3720 Hemlock Park Drive<br>Kingsport, TN 37663     | 7,500   | *                                |
| Matthew W. Cleek (1)<br>1510 Harvey Brooks Drive<br>Kingsport, TN 37660     | 7,300   | *                                |
| Bobby R. Stoffle<br>357 Meadowlake Circle<br>Seymour, TN 37865              | 100   | *                                |
| Gregory L. DePriest<br>2182 Highland Falls Court<br>Johnson City, TN 37615  | 200   | *                                |
| Michael Estes<br>1120 Cliffview Circle<br>Johnson City, TN 37615            | 0   | *                                |
| Matthew R. Cradic<br>1536 Kings Rd<br>Kingsport, TN 37664                   | 0   | *                                |
| All Directors and Executive Officers as a group (10 persons)                | 219,867   | 13.32%                           |

\* Denotes less than 1% of shares outstanding of 1,650,812 as of December 31, 2022.

- (1) Includes shares which the Officer or Director has a right to acquire presently or within sixty (60) days of the June 13, 2023, Annual Meeting date, 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, 2022, 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<br>On December 31, 2022 | PERCENTAGE OF SHARES OUTSTANDING |
|--------------------------------------|---|----------------------------------|
| Spence Limited, LP                   | 163,028   | 9.88%                            |
| Matt Daniels                         | 164,870   | 9.99%                            |
| Alliance Bernstein                   | 82,357  | 5.00%                            |
| Estate of Tommy W. Young             | 98,698  | 5.98%                            |

**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 to the Board of Directors are as follows:

| Names                | Mandatory Retirement Age Applicable | Mandatory Retirement Age Not Applicable | Year Elected |
|----------------------|-------------------------------------|---|--------------|
| 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 eight (8) members. These eight (8) members are currently serving and have been nominated for re-election as directors of the company. 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. Five (5) of the seven (7) Company's directors in 2022 attended the 2022 Annual Meeting of Shareholders. Two (2) proposed nominees were also in attendance.

### **BIOGRAPHIES OF DIRECTOR NOMINEES**

Matthew W. Cleek, Director/Chairman of First Community Corporation. 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 48.

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 72.

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 79.

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. Ms. Clinch was appointed as a member of the National Community Depository Institutions Advisory Council (CDIAC) in January of 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 59.

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 73.

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 65.

Gregory L. DePriest, Director. 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 64.

Bobby R. Stoffle, Director. 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 63.

**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, 2022, as well as to provide tax preparation services. Pugh & Company performed these functions for the Company for the fiscal years ended December 31, 2022, and December 31, 2021, and provided tax services for the years ended December 31, 2022, and December 31, 2021. The Company paid the following fees for these services reported on a cash basis:

|                         | <u>12/31/2021</u> | <u>12/31/2022</u> |
|-------------------------|-------------------|-------------------|
| Audit Fees              | \$ 56,700         | \$ 60,271         |
| Tax Preparation Fees    | \$ 18,383         | \$ 18,900         |
| All Other Fees/Expenses | <u>\$ 2,400</u>   | <u>\$ 2,400</u>   |
| Total Fees Paid         | \$ 77,483         | \$ 81,571         |

**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, 2023.**

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, 2022, there were 10,000 outstanding stock options granted to employees of the Company or the Bank (See "STOCK INCENTIVE PLANS"). The options granted to employees in 2022 vest and become exercisable over a period of two (2) years in annual increments of 50% each on the anniversary date of the original grant.

As of December 31, 2022, there were 15,000 stock appreciation rights granted to employees of the Company or the Bank (See "STOCK INCENTIVE PLANS"). The stock appreciation rights granted to employees in 2022 vest and become exercisable two (2) years after the anniversary date of the original grant.

As of December 31, 2022, there were deferred bonus awards totaling \$29,050 granted to employees of the Company or the Bank (See "STOCK INCENTIVE PLANS"). The deferred bonus awards granted to employees in 2022 vest and become exercisable over a period of two (2) years in annual increments of 50% each on the anniversary date of the original grant.

The Company is a party to employment agreements with four (4) 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 2022, 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 2022 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, 2022, there were outstanding 52,500 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 three (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, 2022.

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

### **2022 Employee Stock Incentive Plan**

The 2022 Employee Stock Incentive Plan was adopted by the Board of Directors and approved by the shareholders in 2022 to promote the interests of the Company and the shareholders 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.

The Plan is 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 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. All decisions, determinations and interpretations of the Committee or the Board of Directors are 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.

The maximum aggregate number of shares of Common Stock reserved for issuance under the Plan (including all Options and Stock Appreciation Rights) is two hundred fifty thousand (250,000) shares. The total number of shares of Common Stock subject to the Plan and the number covered under each individual option and under each award of Stock Appreciation Rights 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.

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. 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. 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.

### **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. As of December 31, 2022, there were outstanding options to acquire an aggregate of 52,500 shares under the Directors' Plan and taking into account options previously exercised, there are 70,500 shares remaining under the Director's Plan for which options may be granted. No options were exercised by directors during the year ending December 31, 2022.

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), Technology Operations Committee, Disaster Recovery Committee, Investment 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. Cleek, and Mr. Droke. Ms. Richards chaired the committee in 2022. 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 2022, the Audit Committee met four (4) times.

## **Compensation Committee**

The Compensation Committee is comprised of Mr. Johnson, Mr. Lawson, Mr. Droke, Mr. Cleek, Ms. Richards, Mr. Stoffle, Mr. DePriest, 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 2022, 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. Stoffle, Mr. DePriest, 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 2022, 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 seven (7) 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 2023 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 15% of the equity capital of the Bank. As of December 31, 2022, the total amount of credit extended to directors and officers was \$679,069 or approximately 3.3% 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 2022 Annual Report to Shareholders, which also serves as our 2022 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).