

First Community Bankshares, Inc.

Governance and Nominating Committee Charter

OVERVIEW

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

PURPOSE

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

GENERAL OBJECTIVES

Reserved.

STATEMENT OF NEED AND DEFINITION

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

SPECIFIC GOALS

The Committee helps ensure that the board performs effectively, with specific responsibility for:

- making recommendations to the board on governance guidelines and procedures;
- planning and conducting periodic, formal and/or informal, performance evaluations of the board;
- nominating directors to serve on the board of the Corporation and its subsidiaries; and
- making recommendations after consultation with board members, on committee memberships.

CHARTER ELEMENTS

Members

The members of the Committee shall be appointed by the board and shall serve until their successors shall be duly elected and qualified or until their earlier resignation or removal. Each member of the Committee shall meet the independence requirements of the NASDAQ Stock Market, including any additional independence requirements applicable to members of the Committee, as well as any additional independence requirements established by the board. The Committee shall be composed of no less than three members.

Duties

1. Evaluate the requisite experience, qualifications, attributes, and skills required of board and committee members to function effectively as board and committee members and as liaisons to the communities the Corporation serves in the context of the strategic direction and operation of the Corporation.
2. Oversee evaluations of the board and director performance.
3. Recommend for board approval a definition of director independence. The definition should be in compliance with relevant standards by regulators and listing bodies.
4. Review with the board, when needed, the appropriate skills and characteristics required of new and existing board members.
5. As required, solicit nominations for new directors and screen the list of potential new directors submitted by directors or other sources.
7. Recommend to the board nominations for board seats, new or existing, after considering the appropriate skills and characteristics required of directors and the current makeup of the board.
8. Oversee orientation of new directors of the Corporation and its subsidiaries.
9. Review annually the Committee charter and recommend to the board any needed changes.
10. Keep abreast of the developments in the corporate governance field that might affect the Corporation.
11. Annually review and assess the adequacy of the corporate governance practices of the Corporation and recommend any proposed changes to the board for approval.
12. Consider other corporate governance matters and related issues including review of conflicts of interest and matters involving the Corporation's Standards of Conduct.
13. Consider and approve related party transactions, as necessary. In particular, the Committee shall annually review significant related party transactions and report to the board whether or not, in the Committee's opinion, any constitute a material relationship so as to affect independence
14. Review the composition of board committees and make recommendations to the board regarding any additions, substitutions, or changes in membership on all committees of the board of the Corporation and its subsidiaries.
15. Consider shareholder communications and proposals, if and when submitted, according to established process and guidelines.

Delegation of Duties

This Committee may delegate aspects of its work to subcommittees, with board approval. Furthermore, the board may allocate any of the responsibilities of this Committee to a separate committee, provided that the committee is composed of independent directors. Any such committee must have a published committee charter.

Meetings

The Committee shall meet as often as necessary to carry out the foregoing duties, but in no case less than twice annually. Following each meeting, the Committee shall prepare minutes of the proceedings and report to the board, as soon as practical, any recommendations or material determinations by the Committee.

Procedures

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

Amendment

This Charter may be amended or altered at any time by the Board of Directors.

CONCLUSION

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

Re-Adopted by First Community Bankshares, Inc. Governance and Nominating Committee: December 11, 2018

Re-Approved by First Community Bankshares, Inc. Board of Directors: December 11, 2018