AGREEMENT BY AND BETWEEN
The First National Bank of Williamson
Williamson, West Virginia
and
The Office of the Comptroller of the Currency

AA-NE-2024-93

The First National Bank of Williamson, Williamson, West Virginia ("Bank") and the Office of the Comptroller of the Currency ("OCC") wish to assure the safety and soundness of the Bank and its compliance with laws and regulations.

The Comptroller of the Currency ("Comptroller") has found unsafe or unsound practices, including those relating to staffing, capital planning, strategic planning, interest rate risk management, audit committee oversight, allowances for credit losses, credit administration, and commercial credit.

Therefore, the OCC, through the duly authorized representative of the Comptroller, and the Bank, through its duly elected and acting Board of Directors ("Board"), hereby agree that the Bank shall operate at all times in compliance with the following:

ARTICLE I

JURISDICTION

(1) The Bank is an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c)(2).

(2) The Bank is a national banking association within the meaning of 12 U.S.C. § 1813(q)(1)(A), and is chartered and examined by the OCC. *See* 12 U.S.C. § 1 *et seq.*

(3) The OCC is the "appropriate Federal banking agency" as that term is defined in 12 U.S.C. § 1813(q).

ARTICLE II

COMPLIANCE COMMITTEE

(1) Within thirty (30) days of the date of this Agreement, the Board shall appoint a Compliance Committee of at least three (3) members of which a majority shall be directors who are not employees or officers of the Bank or any of its subsidiaries or affiliates. The Board shall submit in writing to the Assistant Deputy Comptroller the names of the members of the Compliance Committee within ten (10) days of their appointment. In the event of a change of the membership, the Board shall submit in writing to the Assistant Deputy Comptroller within ten (10) days the name of any new or resigning committee member. The Compliance Committee shall monitor and oversee the Bank's compliance with the provisions of this Agreement. The Compliance Committee shall meet at least quarterly and maintain minutes of its meetings.

(2) Within one hundred twenty (120) days of the date of this Agreement, and thereafter within thirty (30) days after the end of each quarter, the Compliance Committee shall submit to the Board a written progress report setting forth in detail:

(a) a description of the corrective actions needed to achieve compliance with each Article of this Agreement;

(b) the specific corrective actions undertaken to comply with each Article of this Agreement; and

(c) the results and status of the corrective actions.

(3) Upon receiving each written progress report, the Board shall forward a copy of the report, with any additional comments by the Board, to the Assistant Deputy Comptroller within ten (10) days of the first Board meeting following the Board's receipt of such report.

ARTICLE III

BOARD OVERSIGHT AND STAFFING

(1) The Board shall ensure that it receives and reviews sufficient information from management (including scope, frequency, timing, and content), regarding the operation of the Bank and the Bank's compliance with this Agreement, to enable the Board to provide effective oversight and Board members to fulfill their fiduciary duties and other responsibilities under law. Refer to (i) the OCC's "The Director's Book: The Role of Directors for National Banks and Federal Savings Associations;" and (ii) the "Corporate and Risk Governance" booklet of the *Comptroller's Handbook*.

(2) Within ninety (90) days of the date of this Agreement, the Board must hire a qualified individual to oversee the Bank's financial condition and balance sheet management process. This individual shall be vested with sufficient authority to fulfill the duties and responsibilities of the position and to ensure compliance with this Agreement. This position shall be designated a senior officer position as defined in 12 C.F.R. § 5.51(c)(4) and the Board shall comply with the prior notice requirements of 12 U.S.C. 1831i and 12 C.F.R. § 5.51 when selecting an individual to serve in this position.

(3) Within ninety (90) days of the date of this Agreement, the Board shall adopt an effective staffing and succession plan to ensure that the Bank has competent management in place to carry out the Board's policies, ensure compliance with this Agreement, applicable laws, rules and regulations, and manage the day-to-day operations of the Bank in a safe and sound manner. The staffing and succession plan must include, at a minimum:

(a) a succession plan for the chief executive officer ("CEO"), senior management, and the Board;

(b) an organization chart that clearly reflects areas of responsibility and lines of authority for all officers as defined by the Board;

(c) identify key positions within the Bank and describe each officer's role and responsibilities in the management of the Bank's day-to-day affairs;

(d) note potential successors for those key positions;

(e) address cross-training among different departments and individuals to ensure successors are adequately trained and prepared to assume their respective positions;

(f) a process to periodically evaluate the Bank's CEO and senior management to determine whether their knowledge and expertise are appropriate for the Bank's strategy, complexity, and risk profile; and

(g) procedures to ensure the Bank complies with the requirements of 12 C.F.R. § 5.51 for changes in directors and senior executive officers, if applicable, as well as the restrictions in 12 C.F.R. part 359 for golden parachute payments, if applicable, and indemnification payments.

(4) The Board shall review the staffing and succession plan at least annually, and more frequently, if necessary or if required by the OCC in writing, to ensure the effectiveness of the plan and shall amend the plan as needed or as directed by the OCC.

ARTICLE IV

CAPITAL PLAN

(1) Within ninety (90) days of the date of this Agreement, the Board shall adopt an effective internal capital planning process to assess the Bank's capital adequacy in relation to its overall risks and to ensure maintenance of appropriate capital levels. Thereafter, management

shall implement, and the Board shall verify, no less than annually, adherence to the capital planning process. The capital planning process shall be consistent with safe and sound practices and ensure the integrity, objectivity, and consistency of the process through adequate governance. Refer to the "Capital and Dividends" booklet of the *Comptroller's Handbook*. The Board shall document the initial capital planning process and thereafter review and document the capital planning process at least annually or more frequently, if appropriate, or required by the OCC in writing.

(2) Within ninety (90) days of the date of this Agreement, the Board shall adopt an effective written capital plan for the Bank, consistent with the Strategic Plan required by Article V, covering at least a three-year period ("Capital Plan"). The Bank's Capital Plan shall, at a minimum:

(a) determine the Bank's capital needs in relation to material risks and strategic direction;

(b) include specific plans for the achievement and maintenance of adequate capital, to include appropriate limits and triggers for tier 1 leverage, tier 1 risk based and total risk based capital, as well as action plans to be initiated should the capital ratios drop below established triggers;

(c) identify and establish a strategy to maintain capital and strengthen capital if necessary and establish a contingency or back-up capital plan commensurate with the Bank's overall risk and complexity;

(d) include detailed quarterly financial projections which shall be consistent with the Strategic Plan required by Article V;

(e) include specific plans detailing how the Bank will comply with restrictions or requirements set forth in this Agreement that will have an impact on the Bank’s capital;

(f) provide for effective ongoing monitoring of the Bank’s capital position, on at least a quarterly basis, relative to established limits and triggers for all capital ratios. As part of the ongoing monitoring process, the Board and management must discuss any breaches and invoke action plans as necessary to ensure capital levels are restored;

(g) require that the Board and management ensure that stress testing results are regularly reviewed and used to evaluate contingency plans for potential capital shortfalls; and

(h) include a revised dividend policy, and thereafter adhere to such policy, that contains robust guidelines for dividend declaration in consideration of the Bank’s risk profile, financial performance, and capital adequacy.

(3) The Bank may declare or pay a dividend or make a capital distribution only:

(a) when the Bank is in compliance with the Capital Plan adopted pursuant to paragraph (2) of this Article and would remain in compliance with such Capital Plan immediately following the declaration or payment of any dividend or capital distribution; and

(b) when the dividend or capital distribution would comply with 12 U.S.C. §§ 56, 60 and 1831o(d)(1) and 12 C.F.R. § 3.11(a)(4).

(4) Upon adoption of the Capital Plan, Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Capital Plan. The Board shall review the effectiveness of the Capital Plan at least annually, and

more frequently if necessary or if required by the OCC in writing, and amend the Capital Plan as needed or directed by the OCC.

(5) At least quarterly, management shall prepare, and the Board shall review, a written evaluation of the Bank's performance against the Capital Plan, which shall include a description of the actions the Board and management will take to address any deficiencies. The Board's quarterly reviews and quarterly written evaluations shall be documented in the Board meeting minutes. The Board shall forward a copy of these quarterly reviews, quarterly written evaluations, and Board meeting minutes to the Assistant Deputy Comptroller within thirty (30) days of completion.

ARTICLE V

STRATEGIC PLAN

(1) Within ninety (90) days of the date of this Agreement, the Board shall adopt a revised written strategic plan for the Bank, covering at least a three-year period ("Strategic Plan"). The Strategic Plan shall establish objectives for the Bank's overall risk profile, earnings performance, growth, balance sheet management, off-balance sheet activities, liability structure, capital and liquidity adequacy, product line development, and market segments that the Bank intends to promote or develop, together with strategies to achieve those objectives, and shall, at a minimum, include:

(a) a definition of the Bank's risk appetite;

(b) a mission statement that forms the framework for the establishment of strategic goals and objectives;

(c) the strategic goals and objectives to be accomplished, particularly balance sheet management strategies, including key financial indicators, risk tolerances, and realistic strategies to reduce interest rate risk ("IRR"), improve earnings and improve the overall condition of the Bank;

(d) the establishment of IRR appetite, including the development of appropriate risk tolerances and risk management objectives with specific approved and prohibited strategies for managing IRR;

(e) procedures to monitor, escalate, and address any breaches of established IRR limits, including timelines for mitigation of excessive exposures as required by Article VI, Interest Rate Risk Management;

(f) effective management of the Bank's risk profile, including a risk assessment that evaluates credit, interest rate, liquidity, price, operational, compliance, strategic, and reputation risks in relationship to capital;

(g) an assessment of the Bank's strengths, weaknesses, opportunities, and threats that impact its strategic goals and objectives;

(h) an evaluation of the Bank's internal operations, staffing requirements, board and management information systems, policies, and procedures for their adequacy and contribution to the accomplishment of the strategic goals and objectives developed under paragraph (1)(c) of this Article;

(i) a management employment and succession plan designed to promote adequate staffing and continuity of competent management as required by Article III, Board Oversight and Staffing;

(j) a financial forecast to include projections for significant balance sheet and income statement accounts and desired financial ratios over the period covered by the Strategic Plan;

(k) a realistic and comprehensive budget that corresponds to the Strategic Plan's goals and objectives, which must be based on reasonable assumptions and include appropriate documented narratives for budget assumptions;

(l) a process to provide formal budget variance reporting to the Board on at least a monthly basis that identifies and explains critical variances, establishes critical variance thresholds that require support and explanation, and documents the Board's discussion of mitigants or plans to address each critical variance;

(m) assigned roles, responsibilities, and accountability for the strategic planning process; and

(n) a description of the Bank's process to monitor progress in meeting the Strategic Plan's goals and objectives.

(2) If the Strategic Plan under paragraph (1) of this Article includes a proposed sale or merger of the Bank, including a transaction pursuant to 12 U.S.C. § 215a-3, the Strategic Plan shall, at a minimum, address the steps that shall be taken and the associated timeline to effect the implementation of that alternative.

(3) Upon adoption of the Strategic Plan, Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Strategic Plan and any amendments thereto. The Board shall review the effectiveness of the Strategic Plan considering changes to the Bank's risk profile at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the Strategic Plan as needed or directed by the OCC.

(4) Within thirty (30) days after the end of each quarter, a written evaluation of the Bank's performance against the Strategic Plan shall be prepared by Bank management and submitted to the Board. Within thirty (30) days after submission of the evaluation, the Board shall review the evaluation and determine the corrective actions the Board will require Bank management to take to address any identified shortcomings. The Board's review of the evaluation and discussion of any required corrective actions to address any identified shortcomings shall be documented in the Board's meeting minutes. Upon completion of the Board's review, the Board shall submit to the Assistant Deputy Comptroller a copy of the evaluation as well as a detailed description of the corrective actions the Board will require the Bank to take to address any identified shortcomings.

ARTICLE VI

INTEREST RATE RISK MANAGEMENT

(1) Within ninety (90) days of the date of this Agreement, the Bank shall adopt and adhere to a written Interest Rate Risk Program ("IRR Program"). Refer to the "Interest Rate Risk," booklet of the *Comptroller's Handbook;* OCC Bulletin 2010-1, "Interagency Advisory on Interest Rate Risk Management," (Jan. 2010); OCC Bulletin 2012-5, "Interest Rate Risk Management: FAQs on 2010 Interagency Advisory on Interest Rate Risk Management," (Jan. 2012); and "Model Risk Management," booklet of the *Comptroller's Handbook*.

(2) The IRR Program shall include risk management systems to identify, measure, monitor, and control IRR, to include at a minimum:

(a) accurate and timely risk identification which identifies and quantifies the major sources and types of IRR, including short-term and long-term IRR exposure;

(b) procedures to monitor, escalate, and address any breaches of established IRR limits, including timelines for mitigation of excessive exposures;

(c) the establishment of risk monitoring processes to provide sufficient information on which to base sound IRR management decisions from both an earnings and economic perspective with recognition and consideration of all risks (repricing, basis, yield-curve, and options), to include:

(i) limits on IRR exposures that consider the Bank's risk appetite, complexity of operations, earnings performance, liquidity position, and capital adequacy; and

(ii) IRR reporting standards and procedures that specify the frequency and types of reports management and the Board will use to monitor the Bank's IRR that address:

a. the level and trends of aggregate Bank IRR exposure;

b. whether management's strategies are within the Bank's established risk appetite and policy;

c. the sensitivity of any key assumptions; and

d. whether the Bank holds sufficient capital for its level of IRR;

(d) an immediate evaluation and corrective actions (as well as ongoing procedures) to ensure the Bank properly operates its IRR model;

(e) adequate and documented support for the reasonableness of assumptions used in the Bank's IRR model, which must accurately reflect the Bank's balance sheet and expected customer behavior;

(f) quarterly review and adjustments, as needed, of the assumptions and inputs used in the Bank's IRR model, to ensure the model is accurately forecasting IRR exposure on the balance sheet. Changes to model assumptions must be documented and supported;

(g) periodic reassessment of internal IRR tolerances to ensure they remain commensurate with the Board's risk appetite;

(h) independent validation of the Bank's IRR model and processes when there are material changes to the Bank's balance sheet and otherwise, as needed, but in no event, less than on an annual basis;

(i) procedures to timely test the Bank's IRR model to compare, reconcile, and report actual performance to simulated results and appropriately document and explain all significant variances between model results and actual performance;

(j) procedures that require the Board to review and discuss, on at least a quarterly basis, the model test results required by this Article;

(k) oversight by a senior manager who is sufficiently trained and knowledgeable about managing IRR; and

(l) an annual review of the Bank's adherence to the IRR Program.

(2) Upon adoption of the IRR Program, Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the IRR Program. The Board shall review the effectiveness of the IRR Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the IRR Program as needed or directed by the OCC.

ARTICLE VII

AUDIT PROGRAM OVERSIGHT

(1) Within thirty (30) days of the date of this Agreement, the Bank shall adopt a revised audit program that ensures an effective and independent audit function ("Audit Program"). Refer to the "Internal and External Audit" booklet of the *Comptroller's Handbook*. As part of this Audit Program, the Board, or a subcommittee thereof, shall:

(a) ensure that management appropriately provides necessary documentation to external auditors to ensure timely completion of audits. The Board and management shall ensure that communication with auditors is ongoing until reports are completed;

(b) oversee, and require management to implement, an effective, bank-wide audit tracker that includes findings from all audits performed by the Bank's auditors. The tracker shall include, at a minimum:

  (i) the name of the individual responsible for addressing the finding,

  (ii) management's response, and planned action to address the finding,

  (iii) the corrective action due date,

  (iv) the status of the corrective action taken, and

  (v) whether the corrective action has been validated;

(c) hold management accountable for responding to audit findings in a timely manner. The Board shall ensure that an independent person validates the effectiveness and sustainability of all corrective actions implemented to address audit findings; and

(d) ensure that an independent individual presents audit findings to the Board.

(2) Upon adoption of the revised Audit Program, Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Audit Program. The Board shall review the effectiveness of the Audit Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the Audit Program as needed or directed by the OCC.

ARTICLE VIII

CURRENT EXPECTED CREDIT LOSSES

(1) By December 31, 2024, the Bank shall adopt adjustments to its Current Expected Credit Losses ("CECL") governance and analysis. Refer to the "Allowances for Credit Losses" booklet of the *Comptroller's Handbook*. The adjustments to the Bank's CECL governance and analysis shall require, at a minimum:

(a) updating the loan policy to reflect an appropriate CECL methodology process, including requirements to document qualitative factor analysis and support;

(b) completing a thorough analysis and documentation of qualitative factors for all segmented loan pools;

(c) ensuring the Allowance for Credit Losses methodology is supported to reflect the Bank's unique loan portfolio, using supported assumptions and Bank-specific qualitative adjustments, and ensuring that qualitative adjustments are reasonably supported and consistent with the level of risk and changes in the loan portfolio; and

(d) ensuring an independent review of the Bank's CECL modeling process, which must, at a minimum, assess the data integrity of the model and the reasonableness of the model assumptions.

(2) Upon adoption of the adjustments to its CECL governance and analysis, Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the adjustments to the CECL governance and analysis. The Board shall review the effectiveness of the CECL governance and analysis quarterly and adjust the CECL governance as needed or directed by the OCC.

ARTICLE IX

ANNUAL CREDIT REVIEW PROCESS

(1) Within ninety (90) days of the date of this Agreement, the Bank shall adopt a written annual credit review process ("Annual Credit Review Process") designed to ensure appropriate documentation and accurate cash flow calculations for each loan file. The Annual Credit Review Process shall include, at a minimum:

(a) a formalized process to ensure required annual credit reviews are completed accurately and in a timely manner; and

(b) a requirement that documentation of the credit review, which must include accurate global cash flow analysis, be maintained.

(2) Upon adoption of the Annual Credit Review Program, Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Annual Credit Review Program.

ARTICLE X

GENERAL BOARD RESPONSIBILITIES

(1) The Board shall ensure that the Bank has timely adopted and implemented all corrective actions required by this Agreement and shall verify that the Bank adheres to the

corrective actions and they are effective in addressing the Bank's deficiencies that resulted in this Agreement.

(2) In each instance in which this Agreement imposes responsibilities upon the Board, it is intended to mean that the Board shall:

(a) authorize, direct, and adopt corrective actions on behalf of the Bank as may be necessary to perform the obligations and undertakings imposed on the Board by this Agreement;

(b) ensure that the Bank has sufficient processes, management, personnel, control systems, and corporate and risk governance to implement and adhere to all provisions of this Agreement;

(c) require that Bank management and personnel have sufficient training and authority to execute their duties and responsibilities pertaining to or resulting from this Agreement;

(d) hold Bank management and personnel accountable for executing their duties and responsibilities pertaining to or resulting from this Agreement;

(e) require appropriate, adequate, and timely reporting to the Board by Bank management of corrective actions directed by the Board to be taken under the terms of this Agreement; and

(f) address any noncompliance with corrective actions in a timely and appropriate manner.

ARTICLE XI

OTHER PROVISIONS

(1) As a result of this Agreement, pursuant to 12 C.F.R. § 5.51(c)(7)(ii), the Bank is in "troubled condition," and is not an "eligible bank" for purposes of 12 C.F.R. § 5.3 or 12 C.F.R. § 24.2(e), unless otherwise informed in writing by the OCC.

(2) This Agreement supersedes all prior OCC communications issued pursuant to 12 C.F.R. §§ 5.3, 5.51(c)(7)(ii), and 24.2(e)(4).

ARTICLE XII

CLOSING

(1) This Agreement is intended to be, and shall be construed to be, a "written agreement" within the meaning of 12 U.S.C. § 1818, and expressly does not form, and may not be construed to form, a contract binding on the United States, the OCC, or any officer, employee, or agent of the OCC. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the OCC may enforce any of the commitments or obligations herein undertaken by the Bank under its supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the OCC has any intention to enter into a contract. The Bank also expressly acknowledges that no officer, employee, or agent of the OCC has statutory or other authority to bind the United States, the U.S. Treasury Department, the OCC, or any other federal bank regulatory agency or entity, or any officer, employee, or agent of any of those entities to a contract affecting the OCC's exercise of its supervisory responsibilities.

(2) This Agreement is effective upon its issuance by the OCC, through the Comptroller's duly authorized representative. Except as otherwise expressly provided herein, all

references to “days” in this Agreement shall mean calendar days and the computation of any period of time imposed by this Agreement shall not include the date of the act or event that commences the period of time.

(3) The provisions of this Agreement shall remain effective and enforceable except to the extent that, and until such time as, such provisions are amended, suspended, waived, or terminated in writing by the OCC, through the Comptroller’s duly authorized representative. If the Bank seeks an extension, amendment, suspension, waiver, or termination of any provision of this Agreement, the Board or a Board-designee shall submit a written request to the Assistant Deputy Comptroller asking for the desired relief. Any request submitted pursuant to this paragraph shall include a statement setting forth in detail the special circumstances that warrant the desired relief or prevent the Bank from complying with the relevant provision(s) of the Agreement and shall be accompanied by relevant supporting documentation. The OCC’s decision concerning a request submitted pursuant to this paragraph, which will be communicated to the Board in writing, is final and not subject to further review.

(4) The Bank will not be deemed to be in compliance with this Agreement until it has adopted, implemented, and adhered to all of the corrective actions set forth in each Article of this Agreement; the corrective actions are effective in addressing the Bank’s deficiencies; and the OCC has verified and validated the corrective actions. An assessment of the effectiveness of the corrective actions requires sufficient passage of time to demonstrate the sustained effectiveness of the corrective actions.

(5) Each citation, issuance, or guidance referenced in this Agreement includes any subsequent citation, issuance, or guidance that replaces, supersedes, amends, or revises the referenced cited citation, issuance, or guidance.

(6) No separate promise or inducement of any kind has been made by the OCC, or by its officers, employees, or agents, to cause or induce the Bank to enter into this Agreement.

(7) All reports, plans, or programs submitted to the OCC pursuant to this Agreement shall be forwarded via email to the Assistant Deputy Comptroller, with a copy to the Bank's assigned Portfolio Manager.

(8) The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his duly authorized representative, has hereunto set her signature on behalf of the Comptroller.

/s/ November 12, 2024

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Amanda S. Edwards
Assistant Deputy Comptroller
Roanoke Office

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of The First National Bank of Williamson have hereunto set their signatures on behalf of the Bank.

/s/	11/12/24
Christian Harris	Date
/s/	11/12/24
Leann Hubbard	Date
/s/	11/15/24
Susanna Kapourales	Date
/s/	11/12/24
Dennis Maroudas	Date
/s/	11/12/24
Charley McCoy	Date
/s/	11/12/24
Sam Olive Jr.	Date
/s/	11/12/24
George D. Poole III	Date