

**Policy For:**  
**Board Approved:**  
**Last Revision Date:**  
**Department/Individual Responsible**  
**For Maintaining/Updating Policy:**

**Code of Ethics**  
**August 28, 2019**  
**August 29, 2018**  
  
**Chief Executive Officer**

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## ETHICS POLICY

### 1. Overview

First Community Corporation and First Community Bank's purpose for this ethics policy is to establish a culture of openness, trust and integrity in business practices. Effective ethics is a team effort involving the participation and support of every First Community Bank employee, officer, and Director. All such persons should familiarize themselves with the ethics guidelines that follow this introduction.

First Community Corporation and First Community Bank are committed to protecting customers, employees, officers, vendors, Directors, shareholders and the Corporation and Bank from illegal or damaging actions by individuals, or group of persons, either knowingly or unknowingly. When First Community Corporation and First Community Bank address issues proactively and use correct judgment, it will help set us apart from competitors.

First Community Corporation and First Community Bank will not tolerate any wrongdoing or impropriety at any time. First Community Bank and First Community Corporation require all employees, officers, and Directors to adhere to corporate and bank policies and procedures, and federal and state laws and regulations. A knowing material violation of corporate or bank policy and procedure, or an inadvertent violation that is intentionally "covered up" and not disclosed or reported, is considered to be an ethics violation.

First Community Corporation and First Community Bank will take the appropriate measures to act quickly in correcting the issue if this code of ethics is broken. Any infractions of this code of ethics will not be tolerated.

### 2. Purpose

The intent of the policy is to advance safe and sound banking practices, as well as mitigate risk to the Bank's assets, through promotion of ethical behavior. It is important to emphasize that the Bank's customers, employees, officers, vendors, Directors, shareholders and consumers generally, all have expectations to be treated to fair business practices. This policy will serve to guide business behavior to ensure ethical conduct.

### **3. Scope**

This policy applies to employees, officers, Directors, vendors, contractors, consultants, temporaries, and other workers at First Community Bank, including all personnel affiliated with third parties.

### **4. Policy**

#### **4.1. Executive Commitment to Ethics**

4.1.1. Directors and Executive Officers within First Community Corporation and First Community Bank must set a prime example. In any business practice, honesty and integrity must be a top priority for Directors and Executive Officers.

4.1.2. Executive Officers have an open-door policy and welcome suggestions and concerns from employees and other officers. This allows employees and officers to feel comfortable discussing any issues and will alert executive officers to concerns within the work force. All employees and Bank officers are encouraged to provide information concerning a material policy or procedure violation, a deliberate "cover up" of such a violation, or a violation of this code of ethics, to either their immediate supervisor, the Director of Human Resources, the Chairman of the Bank, the CEO/President of the Bank, or the Chairman of the Corporation. Directors are encouraged to share any concerns of a similar nature with either the Chairman of the Bank or the Chairman of the Corporation. External Auditor or General Counsel may also be contacted.

4.1.3. Executive Officers must disclose any conflict of interests in regard to their positions within First Community Corporation and First Community Bank.

#### **4.2. Employee Commitment to Ethics**

4.2.1. First Community Bank employees and officers will treat everyone fairly, have mutual respect, promote a team environment and avoid the intent and appearance of unethical or compromising practices.

4.2.2. Every employee and officer needs to apply effort and intelligence in maintaining ethics value.

4.2.3. Employees and officers must disclose any conflict of interests regarding their position within First Community Bank.

4.2.4. Employees and officers will help First Community Bank to increase customer and vendor satisfaction by providing quality bank products and services as well as timely response to inquiries.

#### **4.3. Company Awareness**

4.3.1. Promotion of ethical conduct within interpersonal communications of employees and officers will be rewarded.

4.3.2. First Community Bank will promote a trustworthy and honest atmosphere to reinforce the vision of ethics within the bank.

#### **4.4. Maintaining Ethical Practices**

4.4.1. First Community Corporation and First Community Bank will reinforce the importance of the integrity message and the tone will start at the top. Every employee, officer, and Director needs to consistently maintain an ethical stance and support ethical behavior.

4.4.2. Employees at First Community Bank should encourage open dialogue, get honest feedback and treat everyone fairly, with honesty and objectivity.

4.4.3. First Community Bank authorizes the Director of Human Resources to make sure the ethical code is delivered to all employees and that concerns regarding the code can be addressed.

#### **4.5. Unethical Behavior**

4.5.1. First Community Corporation and First Community Bank will avoid the intent and appearance of unethical or compromising practice in relationships, actions and communications.

4.5.2. First Community Corporation and First Community Bank will not tolerate harassment or discrimination.

4.5.3. Unauthorized use of company trade secrets & marketing, operational, personnel, financial, source code, & technical information integral to the success of the Bank will not be tolerated.

4.5.4. First Community Corporation and First Community Bank will not permit impropriety at any time and we will act ethically and responsibly in accordance with laws.

4.5.5. First Community Bank employees will not use corporate assets or business relationships for personal use or gain.

#### **4.6 Candor during the Examination Process**

4.6.1 An important objective of the examination process is the promotion of safe and sound banking practices. Ongoing communication between the examination staff and bank management is a critical element of effective bank supervision. Employees, Officers, and Directors are expected to adopt an attitude of openness, transparency, and candor with examiners when providing information and during discussions. This will help to promote the bank's strong financial condition, and compliance with consumer protection laws and regulations.

### **5. Enforcement**

5.1. Infractions of this code of ethics will not be tolerated and First Community Corporation and First Community Bank will act quickly in correcting the issue if the ethical code is broken.

5.2. Any employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment. Any Director found to have violated this policy may be subject to disciplinary action, up to and including removal from the Board of Directors.

### **6. Procedures for Reporting Fraudulent or Unethical Activity**

6.1. As an employee of the Bank, you have the right and obligation to report any concerns regarding the Bank's accounting, internal accounting controls, or auditing matters that would result in financial reporting irregularities.

6.2. In addition, you have the right and obligation to report suspicions or knowledge of fraud, theft, embezzlement, **or any other unethical activity** within the Bank.

**6.3.** If you believe any such irregularities or fraud exist, you may confidentially report them via the Bank's "**STOP FRAUD HOTLINE**" at **866-693-9253**. You may leave the report either with or without indentifying yourself. If you prefer, you

may report directly to the Bank's independent audit firm officer-in-charge, **Mr. Barron Kennedy** with Pugh CPA's, at **865.769.1664**, via email at [bkennedy@pughcpas.com](mailto:bkennedy@pughcpas.com), or in writing at PO Box 31409, Knoxville, TN 37930-1409.

Thank you for helping to protect the Bank's customers, shareholders, employees, and assets.