

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

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 16, 2020**

TO THE SHAREHOLDERS OF FIRST COMMUNITY CORPORATION:

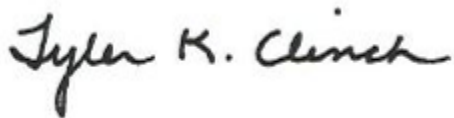
NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of First Community Corporation (the "Company") will be held at Hawkins County Natural Gas, 202 Park Boulevard, Rogersville, Tennessee, 37857, on **Tuesday, June 16, 2020** at 9:00 a.m. (local time) for the following purposes:

- (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 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 17, 2020**, 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 10, 2020

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

**PROXY STATEMENT FOR
ANNUAL MEETING OF SHAREHOLDERS**

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 16, 2020** 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 17, 2020**. 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 17, 2020**, the Company has issued and outstanding 1,630,812 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 17, 2020**, 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, 2019 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, 2019	PERCENTAGE OF SHARES OUTSTANDING
Tyler K. Clinch 1101 Laurel Pond Lane Kingsport, TN. 37660	27,700	1.70%
Steve L. Droke 400 High Ridge Road Kingsport, TN. 37660	20,500	1.26%
Dr. David R. Johnson (2) 2608 Suffolk Street Kingsport, TN. 37660	40,167	2.46%
Sidney K. Lawson P.O. Box 700 Rogersville, TN. 37857	99,400	6.10%
Tommy W. Young P.O. Box 652 Rogersville, TN. 37857	94,198	5.78%
David L. Lunceford 1065 Wellington Blvd. Kingsport, Tenn. 37660	18,581	1.14%
Kathy M. Richards 3720 Hemlock Park Drive Kingsport, TN 37663	300	*
Matthew W. Cleek 1510 Harvey Brooks Drive Kingsport, TN 37660	100	*
James B. Maddox 425 Berkeley Rd. Kingsport, TN 37660	200	*
All Directors and Executive Officers as a group (9 persons)	301,146	18.47%

* denotes less than 1% of shares outstanding of 1,630,812

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- (1) Includes shares which the Officer or Director has a right to acquire presently or within sixty (60) days of April 17, 2020 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, 2019 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, 2018	PERCENTAGE OF SHARES OUTSTANDING
Spence Limited, LP Spence Limited II, LP Spence, John	163,080	9.99%

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
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
David L. Lunceford	X		2012
Kathy M. Richards	X		2018
Matthew W. Cleek	X		2018

The Company's Board of Directors currently consists of 8 members. These 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. Eight (8) of the Nine (9) Company's directors in 2019 attended the 2019 Annual Meeting of Shareholders. Greg DePriest was elected as a director in 2018 and resigned in 2019 due to a relocation to Texas and is not proposed for re-election..

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 Kingsport Veterinary Managing Veterinarian. He is a graduate of the University of Tennessee and Auburn School of Veterinary Medicine. Age 69.

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 76.

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 also serves on the Board of Wellmont's Hawkins County Memorial Hospital. Age 84.

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 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. 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 56.

Steve L. Droke, Director and Executive Vice President of the Bank. 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. He has over 40 years of banking experience. He was elected to the Board of Directors of First Community Bank in September 2011. He is a graduate of East Tennessee State University. Age 70.

David L. Lunceford, Director. Mr. Lunceford joined the board in August 2012. He was President and CEO of HDK Industries, Inc. prior to retirement in August 2013. He loves golf and volunteering especially serving on the Board of Meals On Wheels of Kingsport, cooking and delivering meals to the recipients. He is a graduate of North Carolina State University. Age 74.

Kathy M. Richards, Director. Ms. Richards joined the board in May, 2018. Ms. Richards is a CPA who provides small business and QuickBooks consulting services. She uses her expertise to help small businesses create a plan to follow in order to grow both sales and profit and build a strong team. 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, Downtown Kingsport Association and St. Paul's Episcopal Church (Treasurer). She is a graduate of the University of Maryland with a BS in Accounting. Age 62.

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 45.

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, 2019 as well as to provide tax preparation services. Pugh & Company performed these functions for the Company for the fiscal years ended December 31, 2019 and December 31, 2018, and provided tax services for the years ended December 31, 2019 and December 31, 2018. The Company paid the following fees for these services reported on a cash basis:

	<u>12/31/2018</u>	<u>12/31/2019</u>
Audit Fees	\$ 54,400	\$ 56,000
Tax Preparation Fees	\$ 17,250	\$ 8,600
All Other Fees/Expenses	<u>\$ 10,750</u>	<u>\$ 2,800</u>
Total Fees Paid	\$ 82,400	\$ 67,400

THE BOARD OF DIRECTORS RECOMMENDS A VOTE TO APPROVE THE ENGAGEMENT OF PUGH & COMPANY 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, 2020.

BIOGRAPHIES OF OTHER KEY PERSONNEL OF THE COMPANY

James B. Maddox, Chief Financial Officer and Vice President of the Bank. Mr. Maddox joined the bank as Chief Financial Officer in May of 2014. He was elected Treasurer of the Corporation in June 2014. With more than 26 years of experience spanning Wellmont Health System, Eastman Chemical Company and DuPont, Mr. Maddox has background in treasury, finance, cash management and bank relationship management. Most recently, Mr. Maddox managed Wellmont’s treasury operations including accounts payable, payroll, investment management, debt management and internal controls. Mr. Maddox is a graduate of the American Bankers Association Stonier Graduate School of Banking. Age 59.

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; 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 DIRECTORS AND OFFICERS

As of December 31, 2019 there are **20,000** stock options granted to employees and **55,500** Stock Options granted to Outside Directors in 2019 (See "STOCK INCENTIVE PLANS."). The options granted to employees are fully vested and exercisable according to their terms. 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.

The Company is a party to employment agreements with two (2) 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 2019, 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 2019 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.

THE COMPANY'S STOCK INCENTIVE PLANS

The Company's Board of Directors and its shareholders have adopted and approved the "1994 Stock Option Plan" and the "1994 Outside Directors' Stock Option Plan." The Plans are intended to promote the interests of the Company and its shareholders, to improve the long-term financial performance of the Company, and to attract and retain the Company's leadership team by providing competitive financial incentives.

1994 Stock Option Plan

The persons to whom options may be granted under the 1994 Stock Option Plan (the “Employee Plan”) will be determined from time to time by the Company’s Board of Directors, upon recommendation of the Compensation Committee (the “Committee”). Final decisions regarding administration of the Employee Plan rest with the Board. Officers and key employees of the Company and its subsidiary, as determined by the Board or the Committee, are eligible for grants of options. Directors of the Company who are not also employees of the Company (or any subsidiary) are not eligible to participate in the Employee Plan.

The Employee Plan provides for the granting of incentive stock options and non-statutory stock options. Incentive stock options offer employees the possibility of deferring taxes until the underlying shares of stock acquired upon exercise of the option are sold. For some of the Company’s employees, the benefits of incentive stock options are outweighed by the disadvantages of certain restrictions imposed by the Internal Revenue Code. With the incentive stock options, the Company does not receive a tax deduction at any time (assuming that the employee meets the holding period requirements for capital gain treatment).

If the Company grants non-statutory stock options under the Employee Plan, the Company receives a tax deduction at the time the employee recognizes ordinary income in an amount of such income to the employee.

The total number of shares reserved for the options under the Employee Plan is **475,000**. As of December 31, 2019, there are **142,000** options remaining to be granted under this plan. There are no limitations on the number of shares of common stock which may be optioned to any one person, except that the aggregate fair market value (determined as of the time the option is granted) of Company common stock with respect to which incentive stock options are exercisable for the first time by an employee during any calendar year under the Employee Plan (and any other incentive stock option plan of the Company or any subsidiary) may not exceed \$100,000. Shares subject to options which terminate or expire unexercised will be available for future option grants. The total number of shares subject to the Employee 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.

The Employee Plan is administered by the Company’s Board of Directors or a committee appointed by the Board of Directors. Final decisions regarding administration of the Employee Plan rest with the Board. The Employee Plan requires that the Board of Directors shall administer the Employee Plan only if [a] a majority of the entire Board and [b] a majority of the Directors acting on matters pertaining to administration of the Employee Plan, are “disinterested persons.” As amended by the shareholders in 2004, the Employee Plan defines a “disinterested person” with an updated definition of “disinterested person” to require that the Board of Directors shall administer the Employee Plan only if [a] a majority of the entire Board and [b] a majority of the Directors acting on matters pertaining to administration of the Employee Plan, are “non-employee directors” as defined by current rules promulgated by the Securities and Exchange Commission. A “non-employee director” is defined by the Securities and Exchange Commission as a director who, among other things:

- Is not currently an officer of the Company or its subsidiaries or otherwise employed by the Company or its subsidiaries;

- Does not receive compensation, either directly or indirectly, from the Company or its subsidiary, for consultant services or in any other capacity except as a director, except for a minimum dollar amount prescribed by the Securities and Exchange Commission;
- Does not possess an interest in certain reportable “related party” transactions with the Company or its subsidiaries that exceed an amount prescribed by the Securities and Exchange Commission.

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 more closely align themselves 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, 2019, 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. 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 Mr. Johnson, Mr. Lunceford, Mr. Young and Ms. Richards. Mr. Lunceford chaired the committee in 2019. Ms. Clinch, Mr. Droke and Mr. Maddox 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 2019, the Audit Committee met four (4) times.

Compensation Committee

The Compensation Committee, is comprised of Mr. Johnson, Mr. Lawson, Mr. Droke, Mr. Lunceford, 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 2019, the Compensation Committee met one (1) time.

Nominating Committee

The Nominating Committee, is comprised of Mr. Droke, Mr. Johnson, Mr. Lawson, Mr. Lunceford, Ms. Richards, Mr. Cleek, Mr. Young and is chaired by Ms. Clinch, 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 2019, the committee met one (1) time. The members of the Committee, except for Ms. Clinch and Mr. Droke, who are officers 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 two (2) inside directors. The Nominating Committee unanimously approved the nominees for the Board of Directors proposed and recommended for election at the 2020 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, 2019, the total amount of credit extended to directors and officers was **\$300,000** or approximately **1.4%** 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 2019 Annual Report to Shareholders, which also serves as our 2019 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. 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).