

First Bank Employee Benefits Summary

HEALTH INSURANCE

First Bank's health insurance plan allows employees to select from three (3) plan choices and the level of coverage which best meets their individual or family needs. All three health insurance plan choices offer Prescription Drug programs. *For fulltime employees the bank currently provides 100% of "employee only" coverage and a percentage of the dependent coverage costs of the HDHP1500 plan. The other plans either entail an additional cost to the employee or a cost savings to the employee. First Bank pays a portion of part time employee's premiums as well.*

DENTAL INSURANCE

First Bank's dental insurance plan allows employees to select the level of coverage which best meets their individual or family needs. There are currently two plan offerings. *For fulltime employees the bank currently provides 100% of "employee only" coverage for the basic plan. First Bank pays a portion of part time employee's premiums as well.*

VISION INSURANCE

First Bank's voluntary vision insurance plan allows employees to opt for an increased level of benefit coverage for vision services. This is a separate plan from the vision discount plan offered through the health insurance. *This plan is 100% employee paid and is voluntary.*

LIFE INSURANCE & AD&D

Life insurance is available to fulltime employees in multiples of their basic annual salary, rounded to the next higher \$1,000. *The bank provides two (2) times your annual salary in life insurance, with the option of buying supplemental insurance.* Additionally, employees are eligible for an AD&D principal benefit (if an employee dies or is injured as a result of an accident), that is equal to their life insurance benefit. First Bank also provides a spousal death benefit coverage of \$10,000 and dependent child coverage of \$5,000.

SHORT-TERM DISABILITY

Short term disability benefits become effective when an employee has used up all available PTO and sick days, except for ten (10) total days, and is out with an illness in duration of four (4) days or longer, and up to 179 days. The disability must be certified by a physician and this benefit provides replacement of 60% of an employee's current gross salary. All employees are eligible for this benefit after one year of service and the Bank pays 100% of the cost for this coverage.

LONG-TERM DISABILITY

This supplemental insurance program provides 60% of an employee's monthly gross income during a long-term disability period. Fulltime employees are eligible and the Bank pays 100% of the premium cost for this coverage. This benefit becomes active after a period of lost time that is equal to or greater than 180 days.

HEALTH SAVINGS ACCOUNT

This plan offers employees the opportunity to maximize benefits options and to have more disposable income by participation in a tax-free healthcare savings account. This account is only available to employees who choose a High Deductible Health Plan and meet the other IRS requirements.

PAID TIME OFF (PTO) PLAN

During a fulltime employee's first and second years, they generally receive 15 PTO days per year. During the third and fourth years, they generally receive 20 PTO days per year. During the fifth through ninth years of service, they generally receive 25 days per year. During the tenth through nineteenth years, they generally receive 30 PTO days per year. Beginning with the twentieth year of service, employees generally receive 35 PTO days per year. Part-time employees receive 5 days of PTO during the first through fifth year of service, 10 days for years sixth through twenty fifth and for twenty six plus years they receive 15 days. During the first year, the number of days allocated are prorated. There is no carry-over allowed from year to year of PTO days. However, any remaining PTO days may be carried over to the sick leave bank, if the employee is not at the maximum allowed in that category. Employees are required to take at least five (5) consecutive days at some point during a full year of employment. There are circumstances when employees are hired with extensive work experience and are provided with PTO leave at a level commensurate with their experience as determined by their department head.

SICK LEAVE BANK

Employees may maintain a sick leave bank into which all non-used PTO days will roll at the end of each year. The maximum number of sick leave bank days is 180 days.

HOLIDAYS

The bank may recognize up to 10 national holidays should they fall during the working week. The holiday schedule will usually mirror that of the Federal Reserve Bank of Richmond.

401(K) PLAN

Employees who work a minimum of 1,000 hours per year and are at least 19 years of age, are eligible to contribute to the 401K. Employees may assign a percentage of their salary and the bank will match 100% of an employee's contribution up to 1% of their salary and 50% of their contribution up to the next 5% of their salary, for a total potential match of 3.5% if the employee contributes 6% of their income to the plan. For example, if employee has an annual salary of \$30,000 and elects to contribute 6% or \$1,800 annually to their 401(K), the Bank will contribute 3.5% or \$1050 annually on his/her behalf. Employees who make no election during orientation will be automatically enrolled for a 3% election and automatically increased by 1% per year, up to a maximum of 6% deferral. The full Bank match amount will go into the ESOP (see below). In addition, for all employees hired on or after May 1, 2011 the Bank will make an elective non-matching contribution of 3% to the 401(k) plan. This amount will increase to 4% at 5 years of First Bank service and to 5% at 10 years of First Bank

service. Employees have a variety of investment options, which may be modified, as desired. The funds contributed are not taxed until withdrawn. Full vesting occurs after two (2) years.

Employee Stock Ownership Plan (ESOP)

Entry into this fund is automatic for employees who work a minimum of 1,000 hours per year. Employees must be at least 19 years of age. The 401(k) match is contributed to the ESOP. Assets are invested primarily in First National Corporation common stock. Dividends are added to an employee's account at the discretion of the Board. Benefits are payable upon retirement in either lump sum or rollover to a qualified IRA. The vesting for the ESOP is two (2) years.

TUITION ASSISTANCE PROGRAM

Full time employees are eligible to receive tuition assistance in cases where the education is relevant to their position at the Bank and/or it is a degree program. Reimbursement of qualified tuition assistance courses is paid at 80% (up to \$3000/year) so long as the employee completes the course with a grade of "C" or better. Reimbursement is given for tuition, fees and required books.

HEALTH CLUB REIMBURSEMENT

All employees are eligible to be reimbursed \$100.00 towards gym membership, health club or any other health or wellness product or service, once every three years. More detail may be obtained from human resources upon request.