



April 4, 2022

Dear Fellow Shareholders:

You are cordially invited to attend the 2022 Annual Meeting of Shareholders of The Farmers Bank of Appomattox to be held at the Appomattox Inn & Suites, 447 Old Courthouse Road, Appomattox, Virginia, on Tuesday, May 17, 2022 at 7:00 p.m. The accompanying Notice and Proxy Statement describe the matters to be presented at the meeting. Please give them your prompt and careful attention.

At this meeting, your Board of Directors is asking you to vote for electing the nine nominees to the Bank's Board of Directors, for fixing the number of directors to be elected at nine, and for the ratification of the appointment of Yount, Hyde & Barbour, P.C. as our independent registered public accountants for the fiscal year ending December 31, 2022. We are also asking that you approve the amendment to the Bank's Articles of Incorporation to eliminate preemptive rights. More information is given within this Proxy Statement. Management will report to you on the Bank's condition and performance, and you will have ample opportunity to question management on matters that affect the interests of all shareholders.

Whether or not you plan to attend the Annual Meeting in person, please complete, sign and date the enclosed proxy card and return it in the accompanying envelope at your earliest convenience or follow the instructions on the proxy card to vote your shares over the Internet. We have engaged Broadridge Corporate Issuer Solutions, Inc. to receive and process the proxies. Your vote is important regardless of the number of shares you own.

We appreciate your continued support of the Bank, and we encourage you to recommend the Bank's services to your friends and neighbors.

Sincerely,

Douglas M. Webb
Chairman of the Board

John R. Caldwell
President & Chief Executive Officer

THE FARMERS BANK OF APPOMATTOX
223 Main Street
Appomattox, Virginia 24522

NOTICE OF THE 2022 ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD MAY 17, 2022

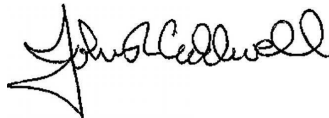
TO OUR SHAREHOLDERS:

The 2022 Annual Meeting of Shareholders of The Farmers Bank of Appomattox will be held at the Appomattox Inn & Suites, 447 Old Courthouse Road, Appomattox, Virginia, on Tuesday, May 17, 2022 at 7:00 p.m. Eastern Time for the following purposes:

1. To elect nine (9) directors to serve until the 2023 Annual Meeting of Shareholders, or until their successors have been elected and qualified.
2. To fix the number of directors to be elected at nine (9).
3. To ratify the appointment of Yount, Hyde & Barbour, P.C. as independent registered public accountants for the fiscal year ending December 31, 2022.
4. To approve and adopt an amendment to the Bank's Articles of Incorporation to eliminate preemptive rights.
5. To transact such other business as may properly come before the meeting or any adjournment thereof.

Shareholders of record at the close of business on March 24, 2022, will be entitled to notice of and to vote at the Annual Meeting and any adjournment thereof.

By Order of the Board of Directors,



John R. Caldwell
President & Chief Executive Officer

April 4, 2022

Please sign, date and mail the enclosed proxy card promptly or follow the instructions on the proxy card to vote your shares over the Internet. No postage is required if the return envelope is used and mailed in the United States. If you attend the meeting, you may, if you desire, revoke your proxy and vote in person (provided that, if you hold your shares through a bank, broker or other holder of record and you wish to vote in person, you must bring a legal proxy or broker's proxy card to the meeting as proof of your authority to vote the shares).

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THE FARMERS BANK OF APPOMATTOX
223 Main Street
Appomattox, Virginia 24522

PROXY STATEMENT
2022 ANNUAL MEETING OF SHAREHOLDERS
To Be Held May 17, 2022

GENERAL

The enclosed proxy is solicited by the Board of Directors (the “Board”) of The Farmers Bank of Appomattox (the “Bank”) for the annual meeting of shareholders (the “Annual Meeting”) of the Bank to be held on Tuesday, May 17, 2022, at the time and place and for the purposes set forth in the accompanying notice of annual meeting. The approximate mailing date of this proxy statement and accompanying proxy is April 4, 2022.

Management and the Board of Directors encourage you to read carefully this proxy statement. Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on May 17, 2022: The Notice of the 2022 Annual Meeting of Shareholders, this Proxy Statement and the 2021 Annual Report to Shareholders are available on the Internet at the following website: www.proxyvote.com.

Use and Revocation of Proxies

We are pleased to offer Internet voting as an alternative method of submitting your proxy. Proxies may be submitted either by executing and returning the enclosed proxy card or by following the instructions on the proxy card to vote over the Internet. Internet voting is available 24 hours a day until 11:59 p.m. Eastern Time on May 16, 2022. The shares represented by any properly submitted proxy will be voted in accordance with your instructions, and in the discretion of the proxy holders as to any other matters which may properly come before the Annual Meeting. If a shareholder fails to specify how the proxy is to be voted with respect to any of Proposals One, Two, Three and Four set forth in the accompanying notice and further described herein, the proxy will be voted FOR the election of the director nominees named in Proposal One, FOR fixing the number of directors to be elected at nine (9) as described in Proposal Two, FOR the ratification of the appointment of Yount, Hyde & Barbour, P.C. as the Bank’s independent registered public accountants for the fiscal year ending December 31, 2022 as described in Proposal Three, and FOR the approval and adoption of the amendment to the Bank’s Articles of Incorporation to eliminate preemptive rights as described in Proposal Four.

Execution of a proxy will not affect a shareholder's right to attend the Annual Meeting and vote in person. Any shareholder who submits a valid proxy may revoke it for any reason at any time before the proxy is exercised by filing with the Corporate Secretary of the Bank an instrument revoking it, by submitting a valid proxy bearing a later date, by visiting the website listed on the proxy card and following the instructions or by attending the Annual Meeting and requesting to vote in person.

If you hold your shares through a bank, broker, or other holder of record, you should follow the instructions from your bank, broker, or agent to vote or revoke your proxy or change your vote. If you hold your shares through a bank, broker, or other holder of record, and you plan to vote in person at the Annual Meeting, you should contact your bank, broker, or agent to obtain a legal proxy or broker's proxy card to bring to the meeting as proof of your authority to vote the shares.

Directions to Annual Meeting

To obtain directions to attend the Annual Meeting and vote in person, please contact the Corporate Secretary of the Bank at (877) 405-7797.

Voting Rights of Shareholders

Only those shareholders of record at the close of business on March 24, 2022, are entitled to notice of and to vote at the Annual Meeting or any adjournments thereof. The number of shares of common stock, par value \$2.00 per share, of the Bank outstanding and entitled to vote as of the record date was 1,083,660. The Bank has no other class of stock outstanding. Each share of Bank common stock entitles the record holder thereof to one vote for each matter to be voted upon at the Annual Meeting. A majority of the votes entitled to be cast, represented in person or by proxy, will constitute a quorum for the transaction of business. Shares for which the holder has elected to abstain or to withhold the proxies' authority to vote (including broker non-votes) on a matter will count toward a quorum, but will not be included in determining the number of votes cast with respect to such matter.

Applicable rules determine whether proposals presented at shareholder meetings are routine or non-routine. If a proposal is routine, a broker or other entity holding shares for an owner in street name generally may vote on the proposal without receiving voting instructions from the owner. If a proposal is non-routine, the broker or other entity generally may vote on the proposal only if the owner has provided voting instructions. A "broker non-vote" occurs when a broker or other entity returns a signed proxy card but does not vote shares on a particular proposal because the proposal is not a routine matter and the broker or other entity has not received voting instructions from the beneficial owner of the shares. Fixing the number of directors to be elected and the ratification of Yount, Hyde & Barbour, P.C. as the Bank's independent registered public accountants for the fiscal year ending December 31, 2022 are considered routine matters, while the election of directors and approval and adoption of the amendment to the Bank's Articles of Incorporation to eliminate preemptive rights are considered non-routine matters.

With regard to the election of directors, votes may be cast in favor or withheld. If a quorum is present, the nominees receiving the greatest number of affirmative votes cast at the Annual Meeting, even if less than a majority, will be elected directors; therefore, votes withheld and broker non-votes will have no effect on the election of directors in Proposal One.

With regard to each of Proposal Two and Proposal Three, votes may be cast in favor or against, or a shareholder may abstain from voting. If a quorum is present, fixing the number of directors to be elected at nine (9) as described in Proposal Two and ratifying the appointment of

Yount, Hyde & Barbour, P.C. as the Bank's independent registered public accountants for the fiscal year ending December 31, 2022 as described in Proposal Three requires an affirmative vote of a majority of the votes cast on the matter. Thus, although abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum, they are not counted as votes cast, and therefore abstentions and broker non-votes will have no effect on the outcome of Proposal Two or Proposal Three.

With regard to Proposal Four, votes may be cast in favor or against, or a shareholder may abstain from voting. If a quorum is present, approval and adoption of the amendment to the Bank's Articles of Incorporation to eliminate preemptive rights as described in Proposal Four requires an affirmative vote of a majority of the Bank's outstanding shares of common stock. Abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum and will have the same effect as a vote against Proposal Four.

Solicitation of Proxies

The cost of solicitation of proxies will be borne by the Bank. Solicitation is being made by mail, and if necessary may be made in person, or by electronic communication, telephone or mail by officers and regular employees of the Bank acting without compensation other than regular compensation. We anticipate that brokerage houses and other nominees, custodians and fiduciaries will be requested to forward the proxy soliciting material to the beneficial owners of the shares held of record by such persons, and the Bank will reimburse them for their charges and expenses in this connection.

PROPOSAL ONE: ELECTION OF DIRECTORS

Nominees for Election

The nine persons named in the table below, all of whom currently serve as directors of the Bank, will be nominated at the Annual Meeting to serve as directors until the 2023 Annual Meeting of Shareholders or until their successors have been duly elected and qualify. The Bank's Board believes that the nominees will be available and able to serve as directors, but if any of these persons should not be available or able to serve, the proxy holders may exercise discretionary authority to vote for a substitute proposed by the Bank's Board.

The following table lists the persons nominated to serve as directors of the Bank, their ages, the periods during which each such person has served as a director and their business experience. The following table also shows the number and percentage of shares of the Bank's common stock beneficially owned as of March 24, 2022 by each director, director nominee, and by all directors and executive officers as a group. The Bank knows of no individual or group that beneficially owns more than 5% of the Bank's common stock.

Name	Principal Occupation	Amount / Nature of Beneficial Ownership (1)	Percent of Class (2)
John R. Caldwell Age: 59 Director since 2009	President & CEO of the Bank	2,051 (3)	*
Christopher J. Dillon Age: 47 Director since 2017	Manager, Corporate Applications Services BWXT	1,400	*
Alison F. Gobble Age: 38 Director since 2015	Attorney, Deputy General Counsel, Centra Health	660 (4)	*
Laurie S. Harris Age: 61 Director since 2005	Business Manager, James River Day School	8,000	*
Benjamin H. Johnson Age: 66 Director since 2010	Retired Certified Public Accountant	1,500 (5)	*
Alfred L. Jones, III Age: 65 Director since 2014	Pastor Emeritus, The Jesus Center, Educator	500	*
R. Kinckle Robinson Age: 54 Director since 2004	President, Robinson Funeral Home, Inc.	1,495	*
Luther C. Thomas Age: 70 Director since 2003	Retired Insurance Agent	9,015 (6)	*
Douglas M. Webb Age: 67 Director since 1986	Retired President, Webb Tire Company, Inc.	5,420	*
All Directors and Executive Officers as a group (12 Persons)		37,791 (7)	*

* Represents less than 1% of the Bank's outstanding shares.

(1) For purposes of this table, beneficial ownership has been determined in accordance with the provisions of Rule 13d-3 of the Securities Exchange Act of 1934, under which, in general, a person is deemed to be the beneficial owner of a security if he has or shares the power to vote or direct the voting of the security or the power to dispose of or direct the

disposition of the security, or if he has the right to acquire beneficial ownership of the security within sixty days.

- (2) Based on 1,083,660 shares outstanding.
- (3) Includes 26 shares of common stock held jointly by Mr. Caldwell's stepdaughter and his wife, and 25 shares held jointly by his daughter and his wife.
- (4) Includes 160 shares owned by Ms. Gobble's husband.
- (5) Includes 1,000 shares of common stock held in a retirement account for Mr. Johnson.
- (6) Includes 5,000 shares of common stock held in a retirement account for Mr. Thomas and 1,500 shares owned by his wife.
- (7) Also includes shares beneficially owned by the Bank's non-director executive officers listed beginning on page 7.

Unless authority for the above nominees is withheld, the shares represented by any properly submitted proxy will be voted FOR the election of the above nominees proposed by the Board of Directors.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF THE DIRECTOR NOMINEES LISTED ABOVE.

Board and Committee Meetings

During 2021, the Board of Directors of the Bank held twelve regularly scheduled meetings, two special meetings, and one organizational meeting. Each director attended at least 75% of all meetings of the Board of Directors and committees on which he or she served. The Board of Directors has, among other committees, a standing Nominating and Corporate Governance Committee, Executive Committee, Compensation Committee and Audit Committee.

Directors of the Bank received \$600 for each Board meeting attended in 2021, while the Chairman of the Board received \$700 per meeting. Directors also received an annual retainer of \$1,200. Non-employee directors serving on committees received \$150 for each committee meeting attended during 2021, with members of the Audit Committee receiving \$200 for each meeting attended during 2021. Directors will continue to receive \$600 for each Board meeting attended in 2022, with the Chairman of the Board receiving \$700 for each Board meeting attended. The directors will also continue to receive the \$1,200 annual retainer. Non-employee directors serving on committees will continue to receive \$150 for each committee meeting attended in 2022, with members of the Audit Committee receiving \$200 for each meeting attended.

EXECUTIVE OFFICERS

Officers of the Bank are appointed to serve a one-year term or until their successors are appointed and qualify. The following table lists the current executive officers of the Bank, their ages, and positions held with the Bank.

<u>Name and Age</u>	<u>Position with Bank</u>	<u>An Officer of the Bank Since</u>
John R. Caldwell, 59	President & Chief Executive Officer since January 2009	1986

Dawn S. Tolley, 62	Executive Vice President & Chief Financial Officer since May 2018. Previously served as Senior Vice President & Chief Financial Officer since January 2007	1994
Bruce S. Drinkard, 58	Senior Vice President & Chief Lending Officer since January 2007	1988
Thomas L. Rasey, Jr., 39	Senior Vice President, Chief Operations Officer & Corporate Secretary since January 2020. Previously Served as First Vice President & Loan Administration Officer since May 2017. Prior to that, served as Vice President & Loan Administration Officer since May 2013	2009

**PROPOSAL TWO:
FIXING THE NUMBER OF DIRECTORS**

The Board of Directors proposes that the number of directors to be elected at the Annual Meeting be fixed at nine (9). **Unless contrary instructions are given in a validly submitted proxy, the shares represented by such proxy will be voted FOR fixing the number of directors to be elected at nine.**

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” FIXING THE NUMBER OF DIRECTORS TO BE ELECTED AT NINE.

**PROPOSAL THREE:
RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS**

Yount, Hyde & Barbour, P.C. served as the Bank's principal independent registered public accountants for the fiscal year ended December 31, 2021. A representative of Yount, Hyde & Barbour, P.C. will be present at the Annual Meeting and will be given the opportunity to make a statement and respond to appropriate questions from the shareholders. Yount, Hyde & Barbour, P.C. have been selected by the Bank’s Audit Committee and approved by the Board to serve as the Bank’s principal independent registered public accountants for the fiscal year ending December 31, 2022.

The Board of Directors proposes that the appointment of Yount, Hyde & Barbour, P.C. as the Bank’s independent registered public accountants be ratified by the shareholders. In the event that the appointment of Yount, Hyde & Barbour, P.C. is not ratified by shareholders, the Audit Committee will consider making a change in the independent registered public accountants for 2023.

Unless contrary instructions are included in a validly submitted proxy, the shares represented by such proxy will be voted FOR the ratification of the appointment of Yount, Hyde & Barbour, P.C.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” RATIFICATION OF THE APPOINTMENT OF YOUNT, HYDE & BARBOUR, P.C. AS THE BANK’S INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2022.

**PROPOSAL FOUR:
ADOPTION AND APPROVAL OF THE AMENDMENT TO THE BANK’S ARTICLES OF INCORPORATION TO ELIMINATE PREEMPTIVE RIGHTS**

Background

Under Virginia law, shareholders of a corporation incorporated on or before December 31, 2005, have preemptive rights, subject to certain limitations, to acquire proportional amounts of the corporation’s unissued shares upon the decision of the board of directors to issue such shares, unless the corporation’s articles of incorporation provide otherwise. When the Bank was formed in 1992, the Bank’s original Articles of Incorporation provided for preemptive rights. Accordingly, Section 2 of Article III of the Bank’s Articles of Incorporation provides that “Shareholders of the Bank shall have preemptive rights as set forth in Section 13.1-651 of the Virginia Code, as amended from time to time.” This means that, under the Bank’s current Articles of Incorporation, before the Bank may issue additional shares, subject to certain exceptions, each shareholder of the Bank must be given the opportunity to acquire a proportional amount of the additional shares to be issued, allowing each shareholder, if he or she chooses, to maintain his or her ownership percentage in the Bank.

Under Virginia law, shareholders of a corporation incorporated after December 31, 2005, do not have preemptive rights to acquire the corporation’s unissued shares unless the corporation’s articles of incorporation provide otherwise.

On February 8, 2022, the Board of Directors adopted resolutions determining that it is in the best interests of the Bank and its shareholders to amend the Bank’s Articles of Incorporation to eliminate preemptive rights. The Board of Directors is proposing and recommending to the Bank’s shareholders that the proposed amendment to the Bank’s Articles of Incorporation be adopted and approved. The proposed amendment would eliminate preemptive rights by replacing the current Section 2 of Article III with the following language:

Section 2. No holder of shares of the capital stock of the Bank of any class shall have any preemptive or preferential right to subscribe to or purchase (i) any shares of capital stock of the Bank, (ii) any securities convertible into or carrying a right to subscribe for or acquire any such shares or (iii) any options, warrants or rights to purchase such shares or securities convertible into or carrying a right to subscribe for or acquire any such shares.

Eliminating our shareholders’ preemptive rights will provide the Board of Directors with greater flexibility to raise additional capital and engage in strategic transactions without the administrative costs and time burdens associated with first offering shares to existing shareholders.

A copy of the proposed amendment is attached to this Proxy Statement as Appendix A.

Reasons for Amendment

The Board of Directors believes that shareholders' preemptive rights no longer serve the best interests of the Bank and its shareholders. Eliminating preemptive rights will give the Bank faster and more efficient access to the capital markets and other strategic transactions by eliminating the uncertainty regarding whether and to what extent such rights will be exercised by shareholders.

For example, from time to time it may be advisable for the Bank to offer or sell unissued shares of stock to investors to obtain capital to finance expansion of the Bank's operations through future acquisitions or otherwise. Preemptive rights would delay any sale of stock by requiring the Bank to first offer the stock to its existing shareholders thereby increasing costs and, because we could not determine how many shareholders would exercise preemptive rights, render the size of an offering uncertain. Additionally, it would be costly to notify each shareholder of the Bank of each proposed sale of securities by the Bank and of the shareholder's right to acquire a proportionate number of the shares proposed to be sold. The additional legal, accounting and administrative expenses associated with such notifications would impact the Bank's ability to access the equity markets in a cost-effective manner. The Bank, however, would not be prevented from offering shares to its existing shareholders first if the Board of Directors concluded it was in the Bank's best interests to do so.

With the elimination of shareholders' preemptive rights, the Board of Directors will be able to respond more efficiently to market conditions and use its shares of stock, when appropriate, to fund future growth. The amount, terms and timing of any offering of the Bank's shares will be determined by the Board of Directors and will depend upon the market conditions existing at the time of such offering.

We do not have any definitive plans, arrangements, understandings or agreements regarding the issuance of any Bank securities. If this proposal is approved, shareholders of the Bank will not have a preemptive right to purchase unissued shares or rights to purchase unissued securities of the Bank prior to the Bank's offer of such securities to other persons. This would allow the Board of Directors to authorize the issuance and sale of stock in a variety of transactions to persons who may not be existing shareholders of the Bank. Such sales could be issued in any amount authorized by the Board of Directors out of authorized but unissued shares and could be made to persons who might, thereafter, hold a substantial ownership interest in the Bank, depending on the particular circumstances and terms of any such offering.

If this proposal is approved by shareholders of the Bank, the Board of Directors anticipates filing articles of amendment with the Virginia State Corporation Commission to become effective promptly following the Annual Meeting. Notwithstanding shareholder approval of this proposal, however, the Board of Directors reserves the right to determine not to proceed with the amendment of the Bank's Articles of Incorporation at any time before the effective date of the amendment.

Unless contrary instructions are included in a validly submitted proxy, the shares represented by such proxy will be voted FOR the approval and adoption of the amendment to the Bank's Articles of Incorporation to eliminate preemptive rights.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" APPROVAL AND ADOPTION OF THE AMENDMENT TO THE BANK'S ARTICLES OF INCORPORATION TO ELIMINATE PREEMPTIVE RIGHTS.

OTHER MATTERS

As of the date of this proxy statement, the Board of Directors has no knowledge of any matters to be presented for consideration at the Annual Meeting other than those referred to above. If any other matters properly come before the Annual Meeting, the persons named in the accompanying proxy intend to vote such proxy, to the extent entitled, in accordance with their best judgment.

COMMUNICATION WITH THE BOARD OF DIRECTORS

Shareholders desiring to communicate with the Board of Directors, or one or more Board members, may do so by addressing their written correspondence to The Farmers Bank of Appomattox, Board of Directors, c/o Corporate Secretary, 223 Main Street, P. O. Box 216, Appomattox, Virginia 24522. The Corporate Secretary of the Bank will promptly forward all such communications to the specified addressees.

SHAREHOLDERS SHARING THE SAME ADDRESS

We have adopted a procedure called "householding," which is permitted by the Board of Governors of the Federal Reserve System. Under this procedure, the Bank will deliver only one copy of this proxy statement to multiple shareholders who share the same address (if they appear to be members of the same family) unless the Bank has received contrary instructions from an affected shareholder. Shareholders who participate in the householding will continue to receive separate proxy cards.

The proxy statement is available at www.proxyvote.com. The Bank will deliver promptly upon written or oral request a separate copy of this proxy statement to any shareholder at a shared address to which a single copy of such document was delivered. To receive a separate copy of this proxy statement and separate sets of proxy materials in the future, shareholders should contact the Bank at:

Corporate Secretary
The Farmers Bank of Appomattox
P.O. Box 216
Appomattox, VA 24522
(877) 405-7797

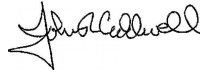
If you have received multiple copies of this proxy statement and wish to receive only one copy in the future, please contact the Bank at the contact information above.

SHAREHOLDER PROPOSALS FOR 2023 ANNUAL MEETING

In accordance with the Bank's bylaws, if any shareholder intends to present a proposal (including a director nomination) from the floor at the 2023 Annual Meeting, the notice of proposal must be in proper form and must be received by the Bank's Corporate Secretary, at the Bank's Main Office in Appomattox, Virginia, on or before December 31, 2022. The proxy solicited by the Board of Directors for the 2023 Annual Meeting will confer discretionary authority to vote on any shareholder proposal presented from the floor of the meeting if the Bank has not received notice of such proposal by December 31, 2022, in writing delivered to the Bank's Corporate Secretary.

April 4, 2022

By Order of the Board of Directors,



John R. Caldwell
President & Chief Executive Officer

