

# COMMUNITY BANKERS TRUST CORPORATION

## CORPORATE GOVERNANCE GUIDELINES

Amended as of September 19, 2014

The Board of Directors of Community Bankers Trust Corporation (the “Company”) has approved and adopted the following corporate governance principles. These principles, along with the Company’s articles of incorporation and bylaws, charters of the various committees of the Board and regulations to which it is subject, provide the foundation for the Company’s governance.

Unless the context otherwise requires, all references to the Company in these guidelines refer to the Company and its wholly owned subsidiary, Essex Bank, and their subsidiaries and affiliates.

### **1. Roles of the Board of Directors and Management**

The Company’s Board of Directors is elected by the Company’s shareholders and is the ultimate decision making body of the Company, except with respect to those matters reserved to its shareholders. The Company’s business is conducted by its officers and other employees under the direction of the Company’s Chief Executive Officer and subject to the oversight of the Board. Both management and the Board seek to enhance the long-term value of the Company for the benefit of its shareholders. In doing so, the Company recognizes that the interests of its shareholders also will be advanced by responsibly taking into account the concerns of its other constituencies, including customers, employees, the communities in which it does business, the public at large and the governmental entities that regulate its businesses.

### **2. Critical Functions of the Board of Directors**

In addition to monitoring the Company’s Chief Executive Officer and other executive officers, the Board is responsible for the following matters, among other things:

- selecting, evaluating and compensating the Chief Executive Officer;
- advising and overseeing the Chief Executive Officer in the selection, evaluation and compensation of members of senior management;
- planning for succession to the position of Chief Executive Officer as well as certain other senior management positions;
- considering and approving the Company’s fundamental business strategies and major corporate actions;
- maintaining effective control over, and supervision of, the Company’s major operations and activities, including, but not limited to, credit risk management, capital and earnings; and

- enhancing the Company's integrity and reputation by ensuring that the Company establishes, implements and maintains policies, practices and procedures for full compliance with all applicable laws and regulations and for meeting the high ethical standards that the Board and the public expect of a leading financial institution.

### **3. Director Responsibilities**

The core responsibility of each Director is to exercise his or her business judgment in good faith to act in what the Director reasonably believes to be in the best interests of the Company and its shareholders. In discharging this responsibility, the Company requires that each Director shall:

- preserve the confidential nature of material information given or presented to the Board of Directors;
- disclose to the other Directors any potential conflicts of interest that he or she may have with respect to any matter under discussion and, if appropriate, refrain from voting on such a matter;
- not serve as a director, officer or employee of any entity that is in competition with the Company and not misappropriate any opportunity or asset belonging to the Company for his or her direct or indirect benefit;
- consistent with the Board's belief that management speaks for the Company, refer all inquiries from the press, institutional investors and others to the Chief Executive Officer, General Counsel or such other members of senior management as required by the Company's disclosure policies, provided, however, that a Director may, from time to time, meet or otherwise communicate with various third parties about the Company but only with the knowledge and advance approval of management or if requested by management; and
- establish a financial stake in the Company by developing a meaningful ownership position in the Company over time as is appropriate for the Director's personal financial circumstances.

### **4. Director Qualifications and Selection Process**

#### ***Integrity, Values and Experience.***

Each Director should possess the highest personal and professional ethics and integrity and be devoted to representing the interests of the Company and its shareholders. A Director must be willing to devote sufficient time to carrying out his or her duties and responsibilities effectively. The Company seeks to have a Board of Directors representing diverse experiences in business, governmental regulation, strategic planning and technology and in various areas relevant to its businesses. The Company also will consider the diversity, age, skills and other factors relevant to a Director's overall qualifications in determining a combination of Directors that will best serve the needs of the Board and the Company.

***Independence.***

The Company's Board of Directors shall at all times be comprised of no less than a majority of Directors who meet the criteria for independence required by the Nasdaq Stock Market or principal stock exchange upon which its common stock is then traded. For this purpose, a director shall be considered to be "independent" only if the Board affirmatively determines that the director does not have any direct or indirect material relationship with the Company that may impair, or appear to impair, the director's ability to make independent judgments and the director otherwise satisfies the standards of "independence" established by applicable rules and regulations, including Nasdaq's listing requirements and federal securities laws. The Nominating and Governance Committee of the Board of Directors is responsible for reviewing the qualifications and independence of the members of the Board and its various committees on a periodic basis as well as the composition of the Board as a whole. Each of the Chairman of the Board and the Vice Chairman of the Board shall be independent under the criteria noted above.

The Company's Chief Executive Officer shall be a member of the Board.

***Nominations.***

Nominations for Directors will be made by the Nominating and Governance Committee in accordance with the policies and principles in its charter. Shareholders may propose nominees for election at the Company's annual meeting of shareholders for consideration by the Nominating and Governance Committee upon submitting the names and qualifications of such persons to the Committee no later than deadline required by applicable rules and regulations, as discussed in the Company's annual proxy statement materials. Submissions must be made to the Nominating and Governance Committee, c/o Secretary, Community Bankers Trust Corporation, 9954 Mayland Drive, Suite 2100, Richmond, Virginia 23233. Upon the nomination by the Committee, the Board may fill any vacancies that occur on the Board between annual shareholder meetings. In most cases, the Chairman of the Board of Directors and the Chairman of the Nominating and Governance Committee jointly should extend the invitation to selected nominees to join the Board.

***Resignation for Majority Withhold Vote.***

As long as cumulative voting is not in effect, in an uncontested election of Directors (*i.e.*, an election where the only nominees are those recommended by the Board of Directors), any nominee for Director who receives a greater number of votes "withheld" from his or her election than votes "for" his or her election (a "Majority Withheld Vote") will promptly tender his or her resignation to the Chairman of the Board following certification of the shareholder vote. The Nominating and Governance Committee will promptly consider the tendered resignation and will recommend to the Board whether to accept or reject the tendered resignation no later than 60 days following the date of the shareholders' meeting at which the election occurred (the "Shareholders' Meeting Date"). In considering whether to accept or reject the tendered resignation, the Nominating and Governance Committee will consider factors deemed relevant by the Committee members including, without limitation, the Director's length of service, the

Director's particular qualifications and contributions to the Company, the reasons underlying the Majority Withheld Vote (if known) and whether these reasons can be cured, and compliance with stock exchange listing standards and these Corporate Governance Guidelines.

The Board will act on the Nominating and Governance Committee's recommendation no later than 90 days following the Shareholders' Meeting Date. In considering the Nominating and Governance Committee's recommendation, the Board will consider the factors considered by the Committee and such additional information and factors the Board believes to be relevant. Following the Board's decision on the Nominating and Governance Committee's recommendation, the Company will promptly publicly disclose the Board's decision whether to accept the resignation as tendered (providing a full explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation) in a Current Report on Form 8-K filed with the Securities and Exchange Commission. If one or more Directors' resignations are accepted by the Board, the Nominating and Governance Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board. Any Director who tenders his or her resignation pursuant to this provision will not participate in the Nominating and Governance Committee recommendation or Board consideration regarding whether to accept or reject the tendered resignation. If a majority of the members of the Nominating and Governance Committee received a Majority Withheld Vote at the same election, then the independent Directors who are on the Board who did not receive a Majority Withheld Vote (or who were not standing for election) will automatically be appointed a special Board committee solely for the purpose of considering the tendered resignations and will recommend to the Board whether to accept or reject them.

This Corporate Governance Guideline will be summarized or included in each proxy statement relating to an election of directors of the Company.

***Material Changes in Qualifications; Retirement.***

A Director who changes his or her principal occupation, position or responsibility held when elected to the Board of Directors should volunteer to resign from the Board. Although the Company does not believe that it will be necessary in every instance that a Director who makes such a change should leave the Board, the Nominating and Governance Committee should be afforded the opportunity to review the appropriateness of continued Board service under the new circumstances and make a recommendation to the full Board of Directors. In addition, the Company believes that a Director should not stand for reelection at the next annual meeting of shareholders at which the Director's term expires that follows his or her 73rd birthday.

Former employees of the Company shall not serve as a Director. A Director who is also an employee of the Company shall resign immediately after he or she ceases to be such employee.

***Service on Subsidiary Board of Directors.***

The membership of the Board of Directors of each of the Company and its subsidiary Essex Bank shall be identical.

### ***Service on Other Boards of Directors.***

A Director should advise the Chairman of the Board and the Chairman of the Nominating and Governance Committee in advance of accepting an invitation to serve as a director of another public company. The Nominating and Governance Committee will review whether such board membership may unduly impact the ability of the Director to fulfill his or her responsibilities as a Director of the Company and, if so, shall make a recommendation to the Board. Generally, a Director of the Company should not serve on more than three other public company boards of directors.

### **5. Size of the Board of Directors, Terms and Term Limits**

The Board of Directors shall generally consist of between nine and 12 persons, although the Board may increase its size to accommodate the availability of an outstanding candidate or candidates. The Board is classified, and each Director serves for a term of three years. The Company does not believe that it should establish term limits for its Directors. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they have the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole.

### **6. Meetings of the Board of Directors**

#### ***Number of Meetings.***

The Company's Board of Directors will meet as frequently as needed for Directors to discharge properly their responsibilities.

#### ***Attendance and Preparation.***

Each Director is expected to attend all Board meetings and all meetings of committees on which the Director serves. A Director should notify the Company's Secretary as soon as practical if he or she is unable to attend a meeting. Each Director is expected to spend the amount of time and effort needed, and to meet as frequently as necessary, to properly discharge his or her responsibilities. Information and data that are important to the Directors' understanding of the business to be conducted at a Board or committee meeting generally should be distributed in writing to the Directors no less than two business days before the meeting. Each Director should review these materials in advance of the meeting.

#### ***Meeting Agendas.***

The Chairman of the Board, working with senior management, will establish the agenda for each Board meeting. At the beginning of each year, the Chairman will establish a schedule of agenda subjects to be discussed during the year to the degree that these matters can be foreseen. The Board of Directors will review the Company's long-term strategic plans and the principal

issues that the Company will face in the future during at least one Board meeting each year. Directors are encouraged to suggest the inclusion of additional items on the agenda. Whenever possible, the Company believes that it is desirable for such additional agenda items to be discussed with the Chairman of the Board or Secretary in advance of the meeting so that appropriate notice and materials relating to such item can be distributed to all Directors prior to the meeting. A Director may raise subjects for discussion at any Board meeting whether or not included within the formal agenda for that meeting.

#### ***Executive Sessions of Independent Directors.***

Executive sessions or meetings of those members of the Board of Directors who meet the then current standards of independence shall be held at least quarterly and more frequently if the independent Directors so desire. No members of the Company's management shall be present at such executive sessions. The independent Directors may meet in executive session completely separate from a scheduled meeting of the full Board of Directors or during a scheduled Board meeting upon first excusing all members of the Company's management from that segment of the meeting. The chair person at any such executive session shall be the Chairman of the Board, who shall serve as the lead director in performing such other jobs as the independent directors may determine.

### **7. Board Committees**

***Standing Committees.*** The Board will have at all times the following standing committees: an Audit Committee, a Compensation Committee, a Nominating and Governance Committee, a Credit Committee and an Asset/Liability Committee. All of the members of these committees, other than the Credit Committee and the Asset/Liability Committee, will be Directors who then meet the independence criteria then in effect and as established by the Nasdaq Stock Market or the principal stock exchange on which the Company common stock is then traded. The Board of Directors may create additional standing and ad hoc committees as deemed appropriate from time to time. Consideration will be given to rotating committee members periodically, but the Board does not feel that rotation should be mandated.

#### ***Committee Charters.***

Each standing Board committee will have its own charter. Each charter will set forth the purposes, goals and responsibilities of the committee as well as certain specific qualifications for committee membership and procedures for committee member appointment. Each charter will address the nature of items that, and the frequency with which, the committee will report to the full Board of Directors. Each charter will require the committee to annually evaluate its own performance.

#### ***Committee Meetings and Agendas.***

The chairman of each Board committee, in consultation with the committee members and the Company's Chief Executive Officer and other executive officers, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the

committee's charter. The chairman of each committee, in consultation with the appropriate members of the committee and executive officers, will develop the committee's agenda for each meeting. At the beginning of the year, each committee will establish a schedule of agenda subjects to be discussed during the year, to the degree that these matters can be foreseen, The meeting schedule for each committee will be furnished to all Directors.

### ***Engagement of Advisors.***

The Board and each committee have the power to hire at the expense of the Company independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance. Directors are expected to use their best judgment in determining when such engagements are necessary and shall consider the qualifications and fees to be charged by such advisors when making their selection. The Board and/or the committee that engages any such advisors shall promptly notify the Company's Secretary of such engagement so that the Secretary can confirm the independence of such advisors and make the necessary arrangements for the payment of fees to such advisors.

### ***Dual Committees.***

When deemed appropriate or necessary, a Board committee of the Company may perform the same services within the scope of its authority for any of the Company's subsidiaries that do not then have such a committee of its own. Committees acting in such dual capacities may meet simultaneously as committees of the Company and of the relevant subsidiary, though they should hold separate sessions if necessary to address issues that are relevant to one entity but not the other or to consider transactions or other matters where the Company and the relevant subsidiary may have different interests. In addition, any such committee should consult with internal or outside counsel if, in the opinion of the committee, any matter under consideration by the committee has the potential for any conflict between the interests of the Company and those of the subsidiary in order to ensure that appropriate procedures are established for addressing any such potential conflict and for ensuring compliance with the Company's policies regarding Sections 23A and 23B of the Federal Reserve Act.

## **8. Non-Delegable Actions of the Board of Directors**

The Company's Board of Directors may delegate responsibility for certain actions within the scope of the Board's authority to the extent such delegation is permissible by applicable law. Any such matters delegated to a committee of the Board must be within the scope of authority granted to such committee in its charter. Notwithstanding any such delegation, the Board of Directors shall remain responsible for such actions and the committees and/or persons to whom such actions have been delegated shall report the status of such matters to the Board from time to time as directed by the Board. However, the Company believes that the following matters may not be delegated outside the Board of Directors and must be addressed by the Board as a whole:

- any matter that is required by applicable law to be acted upon by the Board of Directors such as amendments to the Company's articles of incorporation, issuances of shares, share repurchases and declarations of dividends;

- any waiver of the Company's Code of Business Conduct and Ethics;
- any acquisition or disposition of a bank;
- any reduction in force or layoff involving more than 10% of the Company's employees;
- any change in the Company's capital structure;
- any contract in excess of \$500,000;
- any capital expenditure in excess of \$500,000; and
- any sale or disposal of fixed assets with a value in excess of \$500,000 or where the loss on such assets exceeds \$300,000.

## **9. Director Access to Officers and Employees**

### *Contacts.*

Directors shall have full and free access to officers and employees of the Company. Any meetings or contacts that a Director wishes to initiate shall be coordinated initially through the Chief Executive Officer, Chief Financial Officer or Secretary. A Director will use his or her judgment to ensure that any such contact is not disruptive to the business operations of the Company and will copy, to the extent not inappropriate, the Chief Executive Officer, Chief Financial Officer, or Secretary on any written communications between a Director and an officer or employee of the Company.

### *Participation in Meetings.*

In addition to the Chief Executive Officer, the Chief Financial Officer and Secretary, the Board of Directors welcomes regular attendance at each Board meeting of the appropriate members of the Company's senior management as shall be determined from time to time. If the Chief Executive Officer or any Director wishes to have additional personnel attend meetings on a regular basis, this suggestion should be brought to the Board for consideration.

## **10. Director Compensation**

The form and amount of Director compensation will be determined by the full Board of Directors on the recommendation of the Compensation Committee in accordance with the policies and principles set forth in these Corporate Governance Guidelines, in that committee's charter and any exchange or other applicable rules. The Compensation Committee will conduct an annual review of Director compensation. The Board of Directors and the Compensation Committee will consider that the independence of Directors may be jeopardized if Director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a Director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a Director or an organization with which the Director is affiliated.

## **11. Director Education**

The Company will establish, or identify and provide access to, appropriate orientation programs, sessions or materials for newly elected directors of the Company for their benefit prior to or within a reasonable period of time after their nomination or election as a Director. The program or materials will include information to familiarize new Directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers and its internal independent auditors.

The Company encourages Directors to periodically pursue or obtain appropriate programs, sessions or materials as to the responsibilities of directors of publicly traded companies. The Company will reimburse Directors for appropriate expenses.

## **12. Reliance on Others; Liability Insurance**

In discharging his or her obligations and responsibilities as a Director of the Company, each Director is entitled to rely on the honesty and integrity of his or her fellow Directors and of the Company's executive officers, independent auditors and other outside advisors. Further, in order to promote the ability of each Director to act in accordance with the Director's reasonable, good faith business judgment without undue concern for the substantial risk of personal liability faced by directors of public companies, the Company shall purchase and maintain directors' and officers' liability insurance in amounts reasonably deemed appropriate from time to time. The Company shall bestow on the Directors the benefits of indemnification and exculpation to the fullest extent permitted by law and by the Company's articles of incorporation and any indemnification agreements.

## **13. Annual Performance Evaluation**

The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Governance Committee will receive comments from all Directors and report annually to the Board with an assessment of the Board's performance. This assessment will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.

## **14. Amendment, Waiver and Modification**

The Board of Directors may amend, waive or modify these Guidelines, subject to the disclosure and other provisions of laws, rules and regulations applicable to the Company.