

COMMUNITY FIRST BANCORPORATION
449 Highway 123 ByPass
Seneca, South Carolina 29678
(864) 886-0206

PROXY STATEMENT

We are providing this proxy statement in connection with the solicitation of proxies by the Board of Directors of Community First Bancorporation for use at our Annual Meeting of Shareholders to be held at 1:30 p.m. on Wednesday, May 25, 2016 in Community First Bank's Seneca Office, 449 Highway 123 Bypass, Seneca, South Carolina. Throughout this Proxy Statement, we use terms such as "we," "us," "our" and "our Company" to refer to Community First Bancorporation, and terms such as "you" and "your" to refer to our shareholders, and we use the term "our Bank" to refer to our wholly-owned subsidiary, Community First Bank.

A Notice of Annual Meeting is attached to this Proxy Statement, and a form of proxy is enclosed. We first began mailing this proxy statement to our shareholders on or about April 22, 2016. We are paying the costs of this solicitation. The only method of solicitation we plan to use, other than this proxy statement, is personal contact, including contact by telephone or other electronic means, by our directors and regular employees, who will not be specially compensated for their services.

ANNUAL REPORT

The Annual Report to Shareholders covering our fiscal year ended December 31, 2015, including financial statements, is enclosed with this proxy statement. The Annual Report to Shareholders does not form any part of the material for the solicitation of proxies.

VOTING PROCEDURES

Voting

If you hold your shares of record in your own name, you can vote your shares by marking the enclosed proxy form, dating it, signing it, and returning it to us in the enclosed postage-paid envelope. If you are a shareholder of record, you can also attend the Annual Meeting and vote in person.

If you hold your shares in street name with a broker or other nominee, you can direct your vote by submitting voting instructions to your broker or nominee in accordance with the procedure on the voting card provided by your broker or nominee. ***Your broker is not permitted to vote your shares on election of directors or approval of the 2016 Long-Term Stock Incentive Plan unless you provide voting instructions. Therefore, to be sure your shares are voted, please instruct your broker as to how you wish it to vote.***

If you hold your shares in street name, you may attend the Annual Meeting, but you may not vote in person without a proxy appointment from a shareholder of record.

Revocation of Proxy

If you are a record shareholder and execute and deliver a proxy, you have the right to revoke it at any time before it is voted by delivering to William M. Brown, Secretary, Community First Bancorporation, 449 Highway 123 Bypass, Seneca, South Carolina 29678, or by mailing to Mr. Brown at Post Office Box 459, Seneca, South Carolina 29679, an instrument which by its terms revokes the proxy. If you are a record shareholder, you may also revoke your proxy by delivering to us a duly executed proxy bearing a later date. Written notice of your revocation of a proxy or delivery of a later dated proxy will be effective when we receive it. Your attendance at the Annual Meeting will not in itself constitute revocation of a proxy. However, if you are a record shareholder and desire to do so, you may attend the meeting and vote in person in which case the proxy will not be used.

If you hold your shares in street name with a broker or other nominee, you may change or revoke your proxy instructions by submitting new voting instructions to the broker or other nominee.

Quorum and Method of Counting Votes

At the close of business on April 6, 2016, there were outstanding 4,152,294 shares of our common stock (no par value). Each share outstanding will be entitled to one vote upon each matter submitted at the meeting. You are only entitled to notice of and to vote at the meeting if you were a stockholder of record at the close of business on April 6, 2016 (the "Record Date").

A majority of the shares entitled to be voted at the annual meeting constitutes a quorum. If a share is represented for any purpose at the annual meeting by the presence of the registered owner or a person holding a valid proxy for the registered owner, it is deemed to be present for purposes of establishing a quorum. Therefore, valid proxies which are marked "Abstain" or "Withhold" and shares that are not voted, including proxies submitted by brokers that are the record owners of shares and that either choose not to vote or do not have authority to vote (so-called "broker non-votes"), will be included in determining the number of votes present or represented at the annual meeting. If a quorum is not present or represented at the meeting, the shareholders entitled to vote, present in person or represented by proxy, have the power to adjourn the meeting from time to time. If the meeting is to be reconvened within thirty days, we will not give any notice of the reconvened meeting other than an announcement at the adjourned meeting. If the meeting is to be adjourned for thirty days or more, we will give notice of the reconvened meeting as provided in the Bylaws. At any reconvened meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

If a quorum is present at the Annual Meeting, directors will be elected by a plurality of the votes cast by shares present and entitled to vote at the annual meeting. "Plurality" means that if there were more nominees than positions to be filled, the individuals who received the largest number of votes cast for the positions to be filled would be elected as directors. Because the number of nominees for election at the 2016 Annual Meeting is the same as the number of positions to be filled, it is expected that all nominees will be elected. Cumulative voting is not permitted. Votes that are withheld or that are not voted in the election of directors (including broker non-votes) will have no effect on the outcome of election of directors. If a quorum is present, all other matters that may be considered and acted upon at the Annual Meeting, including approval of the 2016 Long-Term Stock Incentive Plan, will be approved if the number of shares of our common stock voted in favor of the matter exceeds the number of shares of our common stock voted against the matter. Votes that are withheld or that are not voted on approval of the 2016 Long-Term Stock Incentive Plan (including broker non-votes) are not treated as votes cast, and, therefore, will have no effect on the outcome of such matter.

Actions to be Taken by the Proxies

Our Board of Directors selected the persons named as proxy agents in the attached form of proxy, which is solicited by our Board of Directors. If you are a record shareholder, and properly execute and return the enclosed form of proxy, the proxy agents will vote the shares that it represents at the meeting. In each case where you have appropriately specified how your proxy is to be voted, the proxy agents will vote in accordance with your specifications. If you are a record shareholder, and do not otherwise specify in your form of proxy how you want your shares to be voted, the proxy agents intend to vote the shares represented by your proxy "FOR" the election of the persons named in this Proxy Statement as the Board of Directors' nominees for election to the Board of Directors, and "FOR" approval of the 2016 Long-Term Incentive Stock Plan.

Our Board of Directors is not aware of any other matters that may be presented for action at the Annual Meeting of Shareholders, but if other matters do properly come before the meeting, the proxy agents named in the enclosed form of proxy intend to vote on such matters in accordance with their best judgment.

**SECURITY OWNERSHIP OF CERTAIN
BENEFICIAL OWNERS AND MANAGEMENT**

The following table shows information as of March 1, 2016 about our common stock, and Cumulative Perpetual Preferred Stock, Series A, owned by directors, nominees, executive officers and persons who are known to us to own more than five percent of such classes of stock. Other than as shown in the table below, no persons are known to us to be beneficial owners of 5% or more of either class of our stock. Except as otherwise indicated in the footnotes to the table, to the knowledge of management, all shares are owned directly with sole voting power.

<u>Name</u>	<u>Common Stock</u>		<u>Cumulative Perpetual Preferred Stock, Series A</u>	
	<u>Amount and Nature of Beneficial Ownership</u>	<u>% of Class</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>% of Class</u>
<u>Directors and Executive Officers</u>				
Larry S. Bowman, M.D.	116,012 ⁽¹⁾	2.77%	-	-
William M. Brown	122,789 ⁽²⁾	2.93%	200	6.35%
Richard D. Burleson, Jr.	2,100	0.05%	-	-
T. Brandon Cox	1,000	0.02%	-	-
Joel R. Davis	1,738 ⁽³⁾	0.04%	-	-
Robert H. Edwards	132,108 ⁽⁴⁾	3.16%	-	-
Amber B. Glidewell	-	-	-	-
John R. Hamrick	143,723 ⁽⁵⁾	3.44%	-	-
Gary V. Thrift	180,637 ⁽⁶⁾	4.32%	300	9.52%
James E. Turner	237,421 ⁽⁷⁾	5.67%	-	-
William B. West	590 ⁽⁸⁾	0.01%	-	-
Charles L. Winchester	185,778 ⁽⁹⁾	4.44%	1,210	38.41%
All Directors, nominees and executive officers as a group (9 persons)	<u>1,123,896⁽¹⁰⁾</u>	<u>26.86%</u>	<u>1,710</u>	<u>54.29%</u>

Five Percent Beneficial Owner

Frederick D. Shepherd, Jr. 136 Emerald Road Seneca, SC 29678	296,651 ⁽¹¹⁾	7.14%
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(1) Includes 44,822 shares jointly owned with Mary M. Bowman, Dr. Bowman's wife; 28,192 shares owned by Mrs. Bowman; 14,763 shares held as trustee for Dr. Bowman's children; and 2,806 shares subject to currently exercisable options.

- (2) Includes 4,604 shares owned by Annie B. Brown, Mr. Brown's wife; and 2,806 shares subject to currently exercisable options.
- (3) Includes 176 shares held as custodian for Mr. Davis' minor child.
- (4) Includes 9,250 shares owned by Ruth D. Edwards, Mr. Edward's wife; 34,949 shares jointly owned with Ruth D. Edwards; 15,356 shares owned by Robert H. Edwards LLC; and 2,806 shares subject to currently exercisable options.
- (5) Includes 74,212 shares jointly owned with Frances R. Hamrick, Mr. Hamrick's wife; 8,310 shares owned by Mrs. Hamrick; and 2,806 shares subject to currently exercisable options.
- (6) Includes 81,067 shares held in a trust administered by Mr. Thrift; and 2,806 shares subject to currently exercisable options.
- (7) Includes 23,153 shares owned by Patricia S. Turner, Mr. Turner's wife; 8,825 shares jointly owned with Patricia S. Turner; and 2,806 shares subject to currently exercisable options.
- (8) All shares jointly owned with Louretta M. West, Mr. West's wife.
- (9) Includes 56,693 shares jointly owned with Joan O. Winchester, Mr. Winchester's wife; 4,204 shares owned by Mrs. Winchester; and 2,806 shares subject to currently exercisable options.
- (10) Includes 19,642 shares subject to currently exercisable options.
- (11) Includes 1,121 shares owned by Karen Shepherd, Mr. Shepherd's wife.

The Board of Directors has set the number of directors at ten, and at the Annual Meeting, four directors are to be elected to hold office for the next three years. Pursuant to our bylaws, our Board of Directors acts as a nominating committee. Our Board has nominated T. Brandon Cox, Joel R. Davis, Amber B. Glidewell and Gary V. Thrift each to serve a three year term with their terms expiring at the annual meeting of shareholders in 2019. Mr. Robert H. Edwards, whose term would otherwise expire at the 2016 Annual Meeting, retired from the Board on December 31, 2015, and was appointed Director Emeritus by the Board.

Directors serve until their successors are elected and have qualified to serve. The nominees are currently serving as our directors. Ms. Glidewell and Messrs. Cox and Davis were elected by the Board of Directors to fill newly created seats, and have not previously been elected by shareholders. Any other nominations must be made in writing and delivered to the President of the Company in accordance with the procedures set forth below under "GOVERNANCE MATTERS – Director Nomination Process."

If you are a shareholder of record and you sign and return the enclosed form of proxy, which is being solicited by the Board of Directors, the persons named as the proxy agents in the form of proxy intend to vote for the election of Ms. Glidewell and Messrs. Cox, Davis and Thrift as directors. Unless you indicate a contrary specification, your proxy will be voted FOR each such nominee. In the event that a nominee is not available by reason of any unforeseen contingency, the persons acting under the proxy intend to vote for the election, in his stead, of such other person as our Board of Directors may recommend. Our Board of Directors has no reason to believe that any nominee will be unable or unwilling to serve if elected.

If you hold your shares in street name with a broker or other nominee, you can direct their vote by submitting voting instructions to your broker or nominee in accordance with the procedure in the voting instructions provided by your broker or nominee. Your broker is not permitted to vote your shares with respect to the election of directors without receiving instructions from you. Accordingly, if you want to vote with respect to the election of directors, you must instruct your broker as to how to vote your shares.

MANAGEMENT OF THE COMPANY

Directors and Nominees

The table below shows as to each of our directors and director nominees his name, positions he holds with us, the period during which he has served as our director, and his business experience for the past five years. Terms shown include service as a director of Community First Bank prior to our acquiring it in 1997. Our directors serve until the annual meeting for the year indicated or until their successors are elected and qualified to serve.

<u>Name (and age)</u>	<u>Positions with the Company</u>	<u>Director Since</u>	<u>Business Experience for the Past Five Years</u>
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Nominees for election to our Board of Directors for terms of office to continue until the Annual Meeting of Shareholders in 2019:

Name (and age)	Positions with the Company	Director Since	Business Experience for the Past Five Years
T. Brandon Cox (41)	Director	2015	Certified Financial Planner; Managing Director, United Capital
Joel R. Davis (36)	Director	2015	President and Owner, J. Davis Construction, Inc.
Amber B. Glidewell (35)	Director	2016	Partner, Roe Cassidy Coates & Price, P.A. (attorneys)
Gary V. Thrift (55) Seneca, S.C.	Chairman of the Board of Directors	1995*	President, Thrift Development Corporation (general contractor), and Thrift Group, Inc. (building supplies).

Members of our Board of Directors whose terms of office will continue until the Annual Meeting of Shareholders in 2017

James E. Turner (79) Seneca, S.C.	Director	1989	Chairman of the Board of Turner's Jewelers, Inc.
Charles L. Winchester (75) Sunset, S.C.	Director	1989	President, Winchester Lumber Company, Inc. of Salem, South Carolina; Vice President, Boones Lumber Company.

Members of our Board of Directors whose terms of office will continue until the Annual Meeting of Shareholders in 2018:

Richard D. Burleson, Jr. (44)	President and Chief Executive Officer	2015	President and Chief Executive Officer of Community First Bancorporation and Community First Bank since April 2, 2015; Acting President and Chief Executive Officer of Community First Bancorporation and Community First Bank from January 5, 2015 to April 1, 2015; Managing Director and sole owner of Cross Roads Credit and Portfolio Management, a financial institution consulting firm, since July, 2008.
Larry S. Bowman, M.D. (67) Seneca, S.C.	Vice Chairman of the Board of Directors	1989	Orthopedic surgeon with Blue Ridge Orthopedic Association, P.A.
William M. Brown (69) Salem, S.C.	Director and Secretary of the Board of Directors	1989	Retired; formerly, President and Chief Executive Officer of Lindsay Oil Company, Inc. until 2010.
John R. Hamrick (68) Seneca, S.C.	Director	1989	President of John Hamrick Real Estate

*Mr. Thrift previously served on the Board of Directors from 1989 to 1992.

None of our executive officers nor any of our directors are related by blood, marriage or adoption in the degree of first cousin or closer.

Additional Information About our Directors' Qualifications for Service on our Board

Our Board, which acts as our nominating committee, believes the combined business and professional experience of the Company's directors, and their various areas of expertise make them a useful resource to management and qualify them for service on the Board. All of our Board members have served on the Board since its organization, with the exception of Mr. Burluson and a brief period off the Board for Mr. Thrift. During their tenures, these directors have gained considerable institutional knowledge about the Company and its operations, which has made them effective board members. Because the Company's operations are complex and highly regulated, continuity of service and this development of institutional knowledge help make the Board more efficient and more effective at developing long-range plans than it would be if there were frequent turnover in Board membership. Additionally, our independent Board members all live, own businesses or work, and are active leaders in the communities we serve. As a result, they are valuable liaisons between us and our customers and shareholders. Our Board members are also all significant shareholders of our Company and, as such, provide strong representation of shareholder interests on the Board. When Board members retire from the Board, the Board expects to seek out replacements who it believes will make significant contributions to the Board for a variety of reasons, including among others, business and financial experience and expertise, business and government contacts, relationship skills, knowledge of the Company, and diversity.

Dr. Bowman has been co-owner of an orthopedic surgery practice for over 30 years, and brings to our Board managerial and financial experience as a small business owner. His contacts among medical and other professionals in our market areas also provide us with valuable insights about this important group of customers and potential customers.

Mr. Brown was the owner of a successful oil business for over 33 years until his retirement in 2010. He brings to our Board his organizational and financial experience as a small business owner. His business covered a broad spectrum of the local economy, and he is a valuable asset to our understanding of local economic trends as they develop.

Mr. Burluson, our President and Chief Executive Officer, and President and Chief Executive Officer of the Bank, served as Managing Director and sole owner of Cross Roads Credit and Portfolio Management, LLC, a financial institution consulting firm. In these roles, Mr. Burluson has provided consulting and contract services to financial institutions, including our Company and our Bank, in the areas of interim executive management, turn around management, external third party loan review, regulatory consulting, special assets management, loss share special assets management, consent order compliance, asset liquidation, merger and acquisition loan due diligence review, merger and acquisition data review and mapping, commercial and retail loan development, and credit administration and policy. Our Board believes Mr. Burluson's work with Cross Roads has provided him with valuable background and experience for serving as President and Chief Executive Officer of our Company and our Bank, as well as for serving as a director.

Mr. Cox is a certified financial planner and formerly worked with a large Wall Street investment firm. He has also served as an investment adviser representative at a registered investment advisory firm. This professional experience gives him valuable insights and instincts with respect to the challenges facing highly regulated financial businesses. His background advising financial advisory clients with respect to college, retirement, estate and business succession planning give him valuable insights into consumer financial concerns. His experience with a long-term family owned automobile dealership provides him insights into the challenges facing small business owners. Mr. Cox is also involved in a number of community and charitable organizations that provide him with a network of contacts throughout our community.

Mr. Davis is the owner of a commercial and industrial construction company, which he founded and grew from one employee into one of the larger construction companies in the Upstate. His experience with budget and design coordination, value engineering, cost control, business development, project management and strategic planning provide him with skill sets that will help him to provide valuable advice to us as we continue to grow our business in a

safe and cost-effective manner. Mr. Davis is also a member of the board of trustees of a public utility and is involved in a number of economic development initiatives, as well as community and charitable organizations, all of which provide him with a network of contacts throughout our community. His economic development activities also provide him with insights into local development and growth activities in the communities we serve.

Ms. Glidewell represents both borrowers and lenders in commercial and residential real estate transactions. She also represents banks and other lending institutions in connection with collection and resolution of non-performing loans. Her legal experience and ability to provide the Board with advice and insights into issues that arise in these areas make her a valuable resource to our Board. Ms. Glidewell is also involved in a number of community, professional and legal associations that provide her with a network of contacts throughout our community.

Mr. Hamrick was a local real estate broker and business owner for over 34 years until his retirement in 2010. He provides the Board with insights into the real estate markets in our market areas, which we use in developing our long range strategy, as well as in understanding individual loans requiring board approval.

Mr. Thrift has been associated with a local concrete and paving contractor for over 30 years, and has been president of the business for eleven years. He is also the president of a local building supplies business. Mr. Thrift brings to our Board operational, financial and management experience.

As the owner and Chairman of a local jewelry store for over 40 years, Mr. Turner has been a successful businessman and brings to our Board operational, financial and management experience related to the consumer segment of the local economy. He is also one of our largest shareholders.

As president of a local lumber business for over 48 years, Mr. Winchester brings to our Board operational financial, and management experience, as well as his knowledge of issues and trends that affect the local home building business.

Executive Officers

Our executive officers are Richard D. Burleson, Jr., our President and Chief Executive Officer, and President and Chief Executive Officer of our Bank, and William B. West, our Executive Vice President and Chief Financial Officer, and Executive Vice President and Chief Financial Officer of our Bank. Information about Mr. Burleson is set forth above under "-- Directors" and "-- Additional Information about our Directors' Qualifications for Service on our Board."

Mr. West has served as Executive Vice President and Chief Financial Officer of the Company since March 26, 2015, and served as Interim Executive Vice President and Chief Financial Officer of the Company from December 31, 2014 until March 26, 2015. He has served as Executive Vice President and Chief Financial Officer of the Bank since March 26, 2015, and served as Acting Executive Vice President and Chief Financial Officer of the Bank from January 5, 2015 until March 26, 2015. Mr. West, age 66, served as our Project Coordinator on a part-time basis from May 2012 until January 5, 2015, when he assumed the duties of Interim Executive Vice President and Chief Financial Officer for us and our Bank. Mr. West served as Executive Vice President, Treasurer and Director of Peoples Bancorporation, Inc., Easley, South Carolina, from April 2004 until its merger into another financial institution in April, 2012. Prior to that time, he served as Senior Vice President and Chief Financial Officer of Peoples Bancorporation, Inc. from July 1998 until April 2004. Mr. West was Senior Vice President, Chief Financial Officer, Secretary, Treasurer and Director of First United Bancorporation, Anderson, South Carolina, Executive Vice President and Cashier and a director of Anderson National Bank, Cashier of Spartanburg National Bank, Cashier and a director of Community Bank of Greenville, N.A., and Treasurer and a director of Quick Credit Corporation until the merger of First United Bancorporation into Regions Financial Corporation in April of 1998. Mr. West, who has over 42 years of banking experience, began his career with the Office of the Comptroller of the Currency as a National Bank Examiner in 1972.

GOVERNANCE MATTERS

Director Independence

Our Board of Directors has determined that none of Ms. Glidewell nor Messrs. Bowman, Brown, Cox, Davis, Hamrick, Thrift, Turner, or Winchester has a relationship which, in the opinion of our Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and that each such director is independent as defined in The Nasdaq Stock Market, Inc. Marketplace Rules, as modified or supplemented (the “Nasdaq Rules”). Mr. Edwards, who retired from our Board of Directors on December 31, 2015, was also independent as defined in the Nasdaq Rules. As disclosed under “Certain Relationships and Related Transactions” our independent directors and some of their affiliates from time to time have loan and deposit relationships with our Bank. These relationships are not considered by our Board to compromise their independence.

Meetings of the Board of Directors and Director Attendance at the Annual Meeting of Shareholders

During the last full fiscal year, ending December 31, 2015, our Board of Directors met 22 times, including regular and special meetings. Each director attended at least 75% of the total number of meetings of our Board of Directors and committees of which he was a member.

We encourage, but do not require, our directors to attend annual meetings of shareholders. Last year, all of our directors attended the annual meeting of shareholders.

Committees of the Board

Nominating Committee

Our Board of Directors does not have a separate nominating committee. Rather, our entire Board of Directors acts as nominating committee. Based on our size, the small geographic area in which we do business and the desirability of directors being a part of the communities we serve and familiar with our customers, our Board of Directors does not believe we would derive any significant benefit from a separate nominating committee. All of the members of our Board of Directors are independent as defined in the Nasdaq Rules. We do not have a Nominating Committee charter.

Audit Committee

We have an Audit Committee that is responsible for seeing that audits of our financial statements are conducted annually. An independent registered public accounting firm is employed for that purpose by our Board of Directors upon recommendation of the Audit Committee. Reports on these audits are reviewed by the Committee upon receipt and a report thereon is made to the Board at its next meeting. Our Audit Committee is comprised of Messrs. Hamrick (Chair), Cox, Thrift and Winchester, each of whom is independent as defined in the Nasdaq Rules. Mr. Edwards, who also served on our Audit Committee in 2015, but who retired from our Board of Directors on December 31, 2015, was also independent as defined in the Nasdaq Rules. The Audit Committee met six times in 2015. The Audit Committee has adopted a written charter.

Compensation Committee

We have a Compensation Committee that makes recommendations to our Board of Directors concerning director compensation and compensation of our executive officers. The final decisions as to our executive officers’ compensation are made by the full Board of Directors. Mr. Burselson negotiated his compensation and benefits with the Compensation Committee, and made recommendations relating thereto. The Committee took these recommendations into consideration in recommending his compensation. Mr. Burselson does not, however, meet with the full Board of Directors to discuss their compensation. The Compensation Committee does not delegate its authority to any other persons. However, the Committee does delegate responsibility for administering parts of our compensation programs to our Human Resources Department.

The Compensation Committee is comprised of Messrs. Bowman (Chair), Brown, Thrift and Winchester, and Ms. Glidewell, each of whom is independent as defined in the Nasdaq Rules. The Compensation Committee did not meet formally in 2015.

Board Leadership Structure and Board's Role in Risk Oversight

Our Bylaws provide that the Board may appoint a Chairman and Vice Chairman of the Board of Directors, and our Bylaws further provide that two or more offices may be held by the same person. Our Bylaws also make it clear that the business and affairs of the Company are managed under the direction of the Board of Directors, and that management control is subject to the authority of the Board of Directors to appoint and remove any of our officers at any time. Although our Board does not have a policy as to whether the role of Chairman and Chief Executive Officer should be held by separate persons, since our organization, the roles have been separated. We believe this leadership structure is appropriate for our current purposes because it has served us well since our organization. Our Chairman, or the Vice Chairman in his absence, presides over all meetings of the full Board. Additionally, meetings of our directors may be called by our president or by a majority of our directors. All of our current directors except our Chief Executive Officer, Mr. Burleson, are independent.

We also believe our Board leadership is enhanced by the fact that all of our directors live, work, and have substantial business interests in our service area, and, therefore, have access to information about us and our operations from sources other than our management's presentations to the Board. As a financial institution, our regulators also communicate directly with our directors on a regular basis.

Our Board is actively involved in oversight of risks that could affect our Company. The Board receives regular reports from members of senior management on areas of material risk to us, including operational, financial, legal and regulatory, and strategic risks. These reports are reviewed by the full Board, or, where responsibility for a particular area of risk oversight is delegated to a committee of the Board, that committee reviews the report and then reports to the full Board. Our regulators also send periodic reports of examination to our directors, which contain the regulators' assessments of various risks facing our Company and our Bank, as well as their assessments of our handling of those risks. Accordingly, oversight of risk is a constant element of the functioning of our Board.

Director Nomination Process

In recommending director candidates, our Board takes into consideration such factors as it deems appropriate based on our current needs. These factors may include diversity, age, skills such as understanding of banking and general finance, decision-making ability, inter-personal skills, experience with businesses and other organizations of comparable size, community activities and relationships, and the interrelationship between the candidate's experience and business background, and our other Board members' experience and business background, as well as the candidate's ability to devote the required time and effort to serve on the Board. The Board does not have a specific policy with regard to the consideration of diversity in identifying director nominees, but, as noted above, diversity is one factor the Board considers as part of the total mix of information it takes into account in identifying nominees.

Shareholders may also nominate director candidates as shareholder nominees for election at the annual meeting, but no person who is not already a director may be elected at an annual meeting of shareholders unless that person is nominated in writing not less than 14 days nor more than 50 days prior to the meeting. Such nominations, other than those made by or on behalf of the existing management of the Company, must be made in writing and must be delivered or mailed to the President of the Company, not less than 14 days prior to any meeting of shareholders called for the election of Directors. Such notification must contain the following information to the extent known to the notifying shareholder: (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the total number of shares of our common stock that will be voted for each proposed nominee; (d) the name and residence address of the notifying shareholder; and (e) the number of shares of our common stock owned by the notifying shareholder. The

presiding officer of the meeting may disregard nominations not made in accordance with these requirements, and upon his instructions, the vote tellers will disregard all votes cast for each such nominee.

Shareholder Communications with the Board of Directors

If you wish to send communications to our Board of Directors, you should mail them addressed to the intended recipient by name or position in care of: Corporate Secretary, Community First Bancorporation, 449 Highway 123 Bypass, Seneca South Carolina 29678. Upon receipt of any such communications, our Corporate Secretary will determine the identity of the intended recipient and whether the communication is an appropriate shareholder communication. Our Corporate Secretary will send all appropriate shareholder communications to the intended recipient. An “appropriate shareholder communication” is a communication from a person claiming to be a shareholder in the communication the subject of which relates solely to the sender’s interest as a shareholder and not to any other personal or business interest.

In the case of communications addressed to the Board of Directors, our Corporate Secretary will send appropriate shareholder communications to the Chairman of the Board. In the case of communications addressed to the independent or outside directors, our Corporate Secretary will send appropriate shareholder communications to the Chairman of our Audit Committee. In the case of communications addressed to committees of the board, our Corporate Secretary will send appropriate shareholder communications to the Chairman of such committee if a committee exists, or to the Chairman of the Board if no committee exists.

MANAGEMENT COMPENSATION

Overview of Executive Officer Compensation

Our executive officers are Mr. Burleson, our President and Chief Executive Officer, and Mr. West, our Executive Vice President and Chief Financial Officer. The sections below discuss compensation arrangements and factors considered by our Compensation Committee in setting compensation for our executive officers.

Our Board of Directors has historically set executive officer compensation and benefits based on recommendations of our Compensation Committee, which negotiates from time to time with the executive officers. See “GOVERNANCE MATTERS – Committees of our Board of Directors – Compensation Committee” for additional information about processes and procedures followed by our Compensation Committee. Messrs. Burleson and West’s compensation and benefits are set forth in employment agreements, which are further discussed below under “—Employment Agreements.”

The Committee’s objectives in setting executive compensation and benefits under the employment agreements were:

- to set salary and benefits and to award options at competitive levels designed to encourage the executive officers to perform at their highest levels in order to increase earnings and value to shareholders;
- where appropriate, to award bonuses and/or incentive compensation, and increase salary to reward the executive officers for performance; and
- to retain Messrs. Burleson and West as our President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, respectively.

Compensation was designed to reward our executive officers both for their personal performance and for performance of our Company with respect to growth in assets and earnings, increases in shareholder value, and resolution of regulatory matters. The Committee made its decisions about allocations between long-term and current compensation, allocations between cash and non-cash compensation, and allocations among various forms of compensation, in its discretion based on its subjective assessment of how these allocations would best meet our overall compensation goals outlined above.

Factors Considered in Setting Compensation

Use of Market Surveys and Peer Group Data

To remain competitive in the executive workforce marketplace, we believe it is important to consider comparative market information about compensation paid to executive officers of other financial institutions in our market area. We want to be able to retain our executive officers and, to do so, we believe we must be able to compensate them at a levels that are competitive with compensation offered by other companies in our business and geographic marketplace that seek similarly skilled and talented executives. Consequently, our Compensation Committee undertakes periodic informal reviews of compensation of other financial institutions in South Carolina in determining whether to provide salary increases or other compensation or benefits.

2015 Components of Executive Compensation

During 2015, pursuant to their employment agreements, Messrs. Burleson and West's compensation consisted primarily of two key components: base salary and an opportunity for short-term incentive compensation. We also provided various additional benefits to them, including health, life and disability insurance, an automobile allowance, and perquisites. For 2015, base salary comprised approximately 88% and 91%, respectively of Messrs. Burleson and West's total compensation, and perquisites and other benefits not provided to other employees comprised approximately 6% and 3%, respectively, of Messrs. Burleson and West's total compensation.

Base Salary and Short-term Incentive Compensation

We believed it was appropriate to set Messrs. Burleson and West's base salaries at reasonable levels that would provide them with a predictable income base on which to structure their personal budgets.

We also believed it appropriate to provide Messrs. Burleson and West with an opportunity to earn incentive compensation, and we provided them with such an opportunity in their employment agreements. When we hired Messrs. Burleson and West, we were subject to a Memorandum of Understanding with the Board of Governors of the Federal Reserve, and Community First Bank was subject to a Consent Order with the Federal Deposit Insurance Corporation, both of which subjected us and our bank to onerous operational and reporting requirements and severely burdened our personnel and other resources. Additionally, our financial condition had deteriorated during the recent recession and had not fully recovered. We hired Messrs. Burleson and West because of their extensive experience with financial institutions, and with the expectation that they would help us resolve our regulatory and financial issues and help restore us to a healthy financial position. Accordingly, we believed it appropriate to provide in their employment agreements for opportunities for payments of incentive compensation to the extent they helped us achieve our goals. This incentive compensation is further discussed under “—Employment Agreements – Term and Compensation” and “—Incentive Compensation Payments.”

Stock Options

As a further inducement to hiring Messrs. Burleson and West, and to encourage them to help us meet our regulatory, operational and financial goals, we agreed in their employment agreements to take the necessary steps to provide them with awards of stock options in amounts sufficient to align their interests with the interests of our shareholders. Because we have not yet adopted a stock option plan pursuant to which to issue such awards, to date, we have not issued any stock options or other equity awards to either of Messrs. Burleson or West. However, if the 2016 Long-Term Stock Incentive Plan is approved by shareholders at the 2016 Annual Meeting, we expect to issue equity awards to them pursuant to that plan.

Other Benefits

Pursuant to his employment agreements, we make contributions to our 401(k) plan on behalf of Messrs. Burselson and West on the same basis as contributions are made for all other employees, and we provide each of Messrs. Burselson and West with an automobile for business and personal use. Pursuant to his employment agreement, we provide Mr. Burselson with health, dental, life, short term and long term disability insurance coverage, and health and disability insurance for his family, and we paid him monthly living expenses of \$1,500 until he purchased a home and established residence with his family in our market area. The Committee believes these benefits play an important role in their business development activities on our behalf. All of the foregoing other elements of compensation awarded to Messrs. Burselson and West were set at levels believed to be competitive with other financial institutions of similar size in South Carolina.

Employment Agreements

As noted above, effective in 2015, we entered into employment agreements with Messrs. Burselson and West (each an "Agreement" and collectively the "Agreements").

Term and Compensation

The Agreements with Messrs. Burselson and West are for terms of three years, with automatic one month extensions at the last day of each month following the initial three year term, unless the executive is terminated or either party gives written notice that the term will not be extended. The Agreements provide for minimum annual base salaries of \$299,500 and \$150,000 for Messrs. Burselson and West, respectively. In addition to salary, the Agreements provide for each officer to participate in any profit sharing, pension, retirement, supplemental retirement, welfare, health, dental, disability and other benefit plans applicable to other executive officers.

The Agreement with Mr. Burselson also provides for us to provide health, dental, life, short term and long term disability insurance coverage for him, and health and disability insurance for his family, initiation fees and dues for country club membership, monthly living expenses of \$1,500 until he purchases a home and establishes residence with his family in our market area, vacation time, an automobile, and other unspecified fringe benefits provided to other executive officers and appropriate to his position. The Agreement with Mr. Burselson further provides for payment of incentive compensation ("Performance Payments"), subject to regulatory approvals, as follows: (i) a payment equal to 15% of his base salary upon the extinguishment and/or withdrawal of the Consent Order between the Bank and the Federal Deposit Insurance Corporation ("FDIC") (the "Consent Order"); (ii) a payment equal to 15% of his base salary within 45 days after the end of the first eight consecutive quarters in which the Bank records operating profits calculated in accordance with generally accepted accounting principles ("GAAP"); (iii) a payment equal to 15% of his base salary within 45 days after the end of the first fiscal year in which the Bank records in accordance with GAAP a one percent return on average assets; (iv) a payment equal to 15% of his base salary within 45 days after the end of the first fiscal year in which the Bank records in accordance with GAAP a one percent return on year end shareholders' equity; and (v) a payment equal to 15% of his base salary within 45 days after the Bank's receipt of a report of safety and soundness examination of the FDIC and/or the South Carolina Commissioner of Banking assigning the Bank a "CAMELS" rating of at least "2".

The Agreement with Mr. West also provides for an automobile allowance. Mr. West's Agreement further provides for payment of incentive compensation, subject to regulatory approvals, as follows: (i) a payment of \$10,000 upon the extinguishment and/or withdrawal of the Consent Order; (ii) a payment of \$10,000 upon the extinguishment and/or termination of any Memorandum of Understanding entered into by the Bank, the FDIC and the South Carolina Commissioner of Banking following extinguishment or withdrawal of the Consent Order; (iii) a payment equal to 10% of his base salary at the end of the first eight consecutive quarters in which the Bank records profitable operations; (iv) a payment equal to 10% of his base salary at the end of the first fiscal year in which the Bank achieves a one percent return on average assets; (v) a payment equal to 10% of his base salary at the end of the first fiscal year in which the Bank records a one percent return on year end shareholders' equity; and (vi) a payment equal to 10% of his base salary upon the Bank's receipt of a report of

safety and soundness examination of the FDIC and/or the South Carolina Commissioner of Banking assigning the Bank a “CAMELS” rating of at least “2”.

In order to induce Messrs. Burleson and West to undertake to lead the Bank and the Company to achieve full compliance with, and termination of, the Consent Order and the Written Agreement with the Federal Reserve Bank of Richmond, the Agreements also provide that the Board will present to the shareholders for approval a stock-based compensation plan pursuant to which stock-based compensation can be issued to Messrs. Burleson and West, which is intended to more closely align their interests with the interests of shareholders. The Agreements also provide that, in any private or public offering of our stock, Messrs. Burleson and West will have the opportunity to purchase shares at the lowest per share price offered to any other purchaser in the offering and their offers to purchase will be fulfilled prior to acceptance of offers to purchase from other offerees.

Termination

Death. The Agreements provide for termination upon the death of the executive, and for payment to his estate of any sums due him as base salary and/or reimbursement of expenses through the end of the month during which death occurred, plus any Performance Payment earned, awarded or accrued through the date of death.

Disability. The Agreements provide for termination of employment in the event of the executive’s disability as defined in the Agreements, and for continued payment to the executive of his full base salary at the rate then in effect, all Performance Payments earned, awarded or accrued, and all perquisites, other benefits and payments due to him under the Agreement until the executive becomes eligible for benefits under any long-term disability group plan(s) or group insurance programs maintained by us, provided that the amount of any such payments shall be reduced by the sum of the amounts, if any, payable to executive for the same period under any individual disability benefit plan or insurance program covering him.

Termination for Cause. We may terminate either Agreement and either executive's employment for “cause” (as defined in the Agreements), and we must pay him only such sums as are due to him as base salary, reimbursement of expenses and other payments due to him under the Agreement through the date of such termination.

Termination Without Cause. We may terminate either Agreement and either executive’s employment without cause, and we must pay him any sums due to him as base salary, all earned, awarded or accrued Performance Payments, reimbursement of expenses, and all other payments due under the Agreement through the date of termination.

Voluntary Termination by Executive. Either executive may terminate his Agreement and his employment voluntarily at any time upon giving us 60 days advance notice, and we must pay him any sums due him as base salary, all earned, awarded or accrued Performance Payments, reimbursement of expenses, and all other payments due under the Agreement through the date of such termination.

Change of Control Termination. If we are subject to a “Change of Control,” as defined in the Agreements, either executive may terminate his Agreement and his employment in the event that as of or within six months following such Change of Control, in the case of Mr. Burleson, he shall no longer serve as President and Chief Executive Officer of the Company or any successor to the Company or the Bank, or in the case of Mr. West, he shall no longer serve as Executive Vice President and Chief Financial Officer of the Company or any successor to the Company or the Bank, each with the authority, power, duties and responsibilities set forth in the Agreement. Upon such termination, the executive shall receive any sums due him as base salary, all earned, awarded or accrued Performance Payments, reimbursement of expenses and all other payments due under the Agreement for the month in which termination occurs.

Termination By Executive For Breach. Either executive may terminate his Agreement and his employment if we (i) reduce his authority or power or the scope of his duties and responsibilities as set forth in his Agreement, (ii) reduce his base salary, levels or types of benefits, or the levels or types of other compensation

set forth in his Agreement, or (iii) otherwise materially breach any of our obligations or responsibilities under his Agreement, that if susceptible of cure, remains uncured 30 business days following written notice by the executive to us. Upon such termination, the executive shall receive any sums due him as base salary, all earned, awarded or accrued Performance Payments, reimbursement of expenses and all other payments due under his Agreement through the date of termination.

Severance Payment. Subject to approval of the Federal Reserve Bank of Richmond, and further subject to the first to occur of either of (i) the Bank no longer being deemed a “troubled depository financial institution” for the purposes of Part 359 of the Regulations of the FDIC, or (ii) the receipt from the FDIC of approval to make such severance payment, upon a termination of the executive without cause, a termination for our breach of the Agreement, or a change of control termination, in addition to any other amounts payable under the Agreement, we must pay to the executive a cash sum equal to one times his base salary at the time such termination is effective.

Covenants of Executive

Non-Disclosure. In each Agreement the executive acknowledges that his employment with us will involve access to and work with valuable confidential and proprietary information (as defined in the Agreements), and that his relationship with us is a confidential relationship, and each executive agrees that he will not, either directly or indirectly, use any such proprietary information for his own benefit, or divulge, disclose or communicate any such proprietary information in any manner whatsoever to any person or entity other than to our executives or agents having a need to know such proprietary information to perform their responsibilities on our behalf, and to other persons or entities in the normal course of our business.

Loyalty and Best Efforts. Each executive agrees to be a loyal executive and to faithfully, industriously and to the best of his ability, experience and talents perform all the duties that may be required of him pursuant to the express and implicit terms of the Agreement, to our reasonable satisfaction, commensurate with his position, and to comply with all rules, regulations and policies established or issued by us or applicable banking regulators.

Non-Competition. Each executive agrees that, during the term of his Agreement and, in the event of his termination (i) by us for cause, (ii) voluntarily by him, or (iii) by him in connection with a change of control, for a period of 12 months thereafter, he will not (except on behalf of us or with our prior written consent), within the geographic area within a 50 mile radius of our primary location in Walhalla, South Carolina, in which he performs services on our behalf, either directly or indirectly, on his own behalf or in the service of or on behalf of the others, as an executive officer or proposed executive officer of a new financial institution, undertake for any entity in the business of commercial retail banking duties and responsibilities similar to those undertaken by him for us.

Non-Solicitation of Customers. Each executive agrees that during the term of his Agreement and, in the event of his termination (i) by us for cause, (ii) voluntarily by him, or (iii) by him in connection with a change of control, for a period of 12 months thereafter, he will not (except on behalf of us or with our prior written consent), within the geographic area described above, on his own behalf or in the service of or on behalf of the others, solicit, divert or appropriate or attempt to solicit, divert or appropriate, for any entity in the business of commercial retail banking any of our customers, including prospective customers actively sought by us, with whom the executive has or had material contact during the one year period preceding his termination of employment for the purpose of providing products or services of such a competing business.

Non-Solicitation of Employees. Each executive agrees that during the term of his Agreement and, in the event of this termination (i) by us for cause, (ii) voluntarily by him, or (iii) by him in connection with a change of control, for a period of 12 months thereafter, he will not, within the geographic area described above, on his own behalf or in the service of or on behalf of the others, solicit, recruit or hire away or attempt to solicit, recruit or hire away, any of our employees for an entity in the business of commercial retail banking.

Further Agreement

The Agreements with each of Messrs. Burleson and West provide that they are intended to be in force and effect only during such period as we and/or the Bank are subject to supervisory orders of or supervisory agreements with the Federal Reserve, the FDIC and/or the South Carolina Commissioner of Banking that prohibit or substantially limit the entering of an employment agreement providing for compensation, severance payments and other terms and conditions typically contained in employment agreements among a bank holding company, a bank and a chief executive officer. The Agreements further provide that we and each of the executives intend that upon the expiration of this supervisory period, we will enter into employment agreements containing typical terms that are in no instance of lesser level or type of benefit that those set forth in the Agreements.

The foregoing is merely a summary of certain terms of the Employment Agreements and is qualified in its entirety by reference to the Agreements. This summary does not create any rights in any person.

Tax and Accounting Considerations

We expense salary, bonus and incentive compensation and benefit costs as they are incurred for tax and accounting purposes. Salary, bonus and incentive compensation, and some benefit payments are taxable to the recipient as ordinary income. The tax and accounting treatment of the various elements of compensation is not a major factor in our decision making with respect to compensation.

Timing of Executive Compensation Decisions

Annual salary reviews and adjustments, bonus and short-term incentive compensation awards, and option awards are routinely made each year at the first regularly scheduled Board meeting. The Committee does not time any form of compensation award, including equity-based awards, to coincide with the release of material non-public information.

Security Ownership Guidelines and Hedging

We do not have any formal security ownership guidelines for our directors, but most own a significant number of shares, and are among our largest shareholders. We also do not have such guidelines for Mr. Burleson or Mr. West. We do not have any policies regarding our executive officers' or directors' hedging the economic risk of ownership of our shares.

Financial Restatement

The Board of Directors does not have a policy with respect to adjusting retroactively any cash or equity based incentive compensation paid to our executive officers where payment was conditioned on achievement of certain financial results that were subsequently restated or otherwise adjusted in a manner that would reduce the size of an award or payment, or with respect to recovery of any amount determined to have been inappropriately received by an individual executive. If such a restatement were ever to occur, the Board would expect to address such matters on a case-by-case basis in light of all of the relevant circumstances.

Summary Compensation Table

The following table provides information about compensation awarded to, earned by or paid to Mr. Burleson, our Chief Executive Officer, and Mr. West, our Chief Financial Officer, for their services during 2015.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$) ⁽¹⁾	Total
Richard D. Burleson, Jr., President, Chief Executive Officer	2015	\$299,500	\$ 0	\$ 0	\$40,892	\$340,392
William B. West, Executive Vice President, Chief Financial Officer	2015	\$150,000	\$ 0	\$ 0	\$15,517	\$165,517

(1) Includes our 2015 contributions to the Bank’s 401(k) Plan, premiums for medical insurance, disability insurance and life insurance, automobile allowance and other benefits in the amounts shown below.

Name	401(k)	Insurance			Automobile	Housing Allowance
		Medical	Disability	Life		
Mr. Burleson	--	\$16,123	\$1,005	\$2,862	\$2,902	\$18,000
Mr. West	\$7,966	\$ 883	\$ 544	\$1,124	\$5,000	--

Incentive Compensation Payments

When we hired Messrs. Burleson and West, Community First Bank was subject to a Consent Order with the Federal Deposit Insurance Corporation (“FDIC”). The Bank worked aggressively to address each article set forth in the Consent Order, and as a result, effective February 2016, the Consent Order was terminated and replaced with a Memorandum of Understanding. The Employment Agreements with Messrs. Burleson and West provide for payment of incentive compensation upon the extinguishment and/or withdrawal of the Consent Order between the Bank and the FDIC. Mr. Burleson’s Agreement provides for an incentive compensation payment equal to 15% of his base salary, or \$44,925. Mr. West’s Agreement provides for an incentive compensation payment of \$10,000. The Bank paid Messrs. Burleson and West their incentive compensation payments in March 2016. Further information about possible incentive compensation is set forth under “—Employment Agreements – Term and Compensation.”

2015 Equity Award Grants and Outstanding Equity Awards at 2015 Fiscal Year-End

We did not grant any stock option or other equity awards to Messrs. Burleson or West in 2015, and neither of them held any such outstanding awards at the end of 2015.

1998 Stock Option Plan

The 1998 Stock Option Plan (“1998 Plan”), which was approved by our shareholders, reserved 786,597 shares of our common stock for issuance to our eligible employees and directors upon exercise of options. Under the 1998 Plan, our Board of Directors or a committee appointed by our Board of Directors, determined the persons to whom options would be granted and set the terms of the options within the parameters of the plan. The 1998 Plan had a ten

year term and has, therefore, terminated, and no further options may be awarded under the plan. Options outstanding under the plan continue to be exercisable until the earlier of the termination date set forth in individual award agreements or ten years from the date of grant. At December 31, 2015, options to purchase 31,562 shares of common stock were outstanding under the 1998 Plan, all of which were exercisable, with an average exercise price of \$15.31 per share. The foregoing numbers of shares and average exercise price have been adjusted to reflect stock dividends and stock splits effective through December 31, 2015.

As discussed under “Approval of the 2016 Long-Term Stock Incentive Plan,” the Board of Directors has adopted a new stock incentive plan, and is submitting the plan to shareholders for approval at the Annual Meeting.

COMPENSATION OF DIRECTORS

We pay our directors fees of \$700 per month. All of our directors are also directors of our Bank, and the Bank pays its directors \$600 for each monthly meeting of the Bank’s board of directors. We do not pay, and the Bank does not pay committee fees.

The table below provides information about compensation we paid to each of our directors for their service to the Company and the Bank in 2015. Mr. Bursleson does not receive director fees.

2015 Director Compensation

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$) ⁽¹⁾	Total (\$)
Larry S. Bowman, M.D.	\$15,600	0	\$15,600
William M. Brown	\$15,600	0	\$15,600
Brandon Cox(2)	--	0	--
Joel R. Davis(2)	--	0	--
Amber B. Glidewell(2)	--	0	--
Robert H. Edwards(3)	\$15,600	0	\$15,600
John R. Hamrick	\$15,600	0	\$15,600
Gary V. Thrift	\$15,600	0	\$15,600
James E. Turner	\$15,600	0	\$15,600
Charles L. Winchester	\$15,600	0	\$15,600

- (1) Information about options outstanding for each director is included in the notes to the “Security Ownership of Certain Beneficial Owners and Management” table.
- (2) Although Messrs. Cox and Davis were elected to the Board in December 2015, they were not paid any fees in 2015. Ms. Glidewell was not elected to the Board until 2016.
- (3) Mr. Edwards retired from the Board on December 31, 2015.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Our Bank, in the ordinary course of its business, makes loans to, accepts deposits from, and provides other banking services to our directors, officers, principal shareholders, and their associates. Loans are made on substantially the same terms, including rates and collateral, as those prevailing at the time for comparable transactions with other persons and do not involve more than the normal risk of collectability or present other unfavorable features. Rates paid on deposits and fees charged for other banking services, and other terms of these transactions, are also the same as those prevailing at the time for comparable transactions with other persons. Our Bank expects to continue to enter into transactions in the ordinary course of business on similar terms with our directors, officers, principal stockholders, and their associates. The aggregate dollar amount of loans outstanding to such persons at December 31, 2015 and 2014 was \$4,262,389, and \$4,610,939, respectively. During 2015 and 2014, respectively, \$425,476 and, \$1,279,406 of new loans and other increases were made, and repayments and other decreases totaled \$774,026 and \$4,004,411.

The Board of Directors of our Bank has established formal procedures for approval of the types of loan transactions described above pursuant to which the Board approves all loans to insiders at each meeting. We generally

do not enter into other non-banking types of business transactions or arrangements for services with our directors, officers, principal shareholders or their associates.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Elliott Davis Decosimo, LLC, Certified Public Accountants with offices in Greenville, South Carolina, served as our independent registered public accounting firm to audit our financial statements for the year ended December 31, 2015, and our Board has again selected Elliott Davis Decosimo, LLC to serve as our independent registered public accounting firm for 2016. We expect that representatives from this firm will be present and available to answer appropriate questions at the annual meeting, and will have the opportunity to make a statement if they desire to do so.

Fees Paid to Independent Auditors

Set forth below is information about fees billed by our independent auditors for audit services rendered in connection with our consolidated financial statements and reports for the year ended December 31, 2015, and for other services rendered during such years, on our behalf and on behalf of our Bank, as well as all out-of-pocket expenses incurred in connection with these services, which have been billed to us.

Audit Fees

Audit fees include fees billed for professional services rendered for the audit of our consolidated financial statements and services that are normally provided by our independent auditors in connection with statutory and regulatory filings or engagements, and attest services, except those not required by statute or regulation. For the year ended December 31, 2015, Elliott Davis Decosimo, LLC billed us an aggregate of \$49,860 for audit fees.

Audit-Related Fees

Audit-related fees include fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under "Audit Fees". These services would include employee benefit plan audits, attest services that are not required by statute or regulation, and consultations concerning financial accounting and reporting standards. For the year ended December 31, 2015, Elliott Davis Decosimo, LLC billed us \$1,195 for audit-related fees.

Tax Fees

Tax fees include fees for tax compliance/preparation and other tax services. Tax compliance/preparation fees include fees billed for professional services related to federal and state tax compliance. Fees for other tax services include fees billed for other miscellaneous tax consulting and planning. For the years ended December 31, 2015, Elliott Davis Decosimo, LLC, billed us an aggregate of \$12,050 for tax fees.

All Other Fees

For the year ended December 31, 2015, Elliott Davis Decosimo, LLC, did not bill us for any other fees.

In making its decision to recommend appointment of Elliott Davis Decosimo, LLC as our independent auditors for the fiscal year ending December 31, 2015, our Audit Committee considered whether services other than audit and audit-related services provided by that firm are compatible with maintaining the independence of Elliott Davis.

Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors

Our Audit Committee pre-approves all audit and permitted non-audit services (including the fees and terms thereof) provided by our independent auditors, subject to limited exceptions for non-audit services described in

Section 10A of the Securities Exchange Act of 1934, which are approved by the Audit Committee prior to completion of the audit. The Committee may delegate to one or more designated members of the Committee the authority to pre-approve audit and permissible non-audit services, provided such pre-approval decision is presented to the full Committee at its next scheduled meeting.

General pre-approval of certain audit, audit-related and tax services is granted by our Audit Committee. The Committee subsequently reviews fees paid. Specific pre-approval is required for all other services. During 2015, all audit and permitted non-audit services were pre-approved by the Committee.

APPROVAL OF THE 2016 LONG-TERM STOCK INCENTIVE PLAN

General

On March 24, 2016, the Board of Directors adopted the 2016 Long-Term Stock Incentive Plan (referred to in this section as the “2016 Plan”) and directed that the 2016 Plan be submitted to our shareholders for approval.

The 2016 Plan, which is an equity compensation plan, will not become effective unless approved by the Company’s shareholders. The purpose of the 2016 Plan is to further and promote the interests of the Company and its shareholders by enabling the Company, its subsidiaries and related entities, including the Bank, to attract, retain and motivate key employees and directors, and to align their interests with those of the Company’s shareholders. Additionally, the 2016 Plan’s objectives are to provide a competitive reward for achieving longer-term goals, provide balance to short-term incentive awards, and reinforce a unified perspective among participants serving the Company in differing capacities and areas of focus. To do so, the 2016 Plan offers a variety of equity-based incentive awards and opportunities to provide key employees and directors with a proprietary interest in maximizing the growth, profitability and overall success of the Company. Grants or awards of equity-based compensation under the 2016 Plan are sometimes referred to herein as “Awards”.

The Board of Directors wants to have available the means to attract new talent and retain current personnel as the Company and the Bank continue to grow. Key employees who are officers or managers of the Company, its subsidiaries and/or its related entities who are responsible for the management, growth and protection of the business of the Company, its subsidiaries and/or its related entities and whose performance or contribution, in the sole discretion of the Compensation Committee, benefits or will benefit the Company in a significant manner will be eligible for Awards. Non-employees (e.g., those with third party relationships such as non-employee directors of the Company and/or its subsidiaries) will also be eligible for Awards under the 2016 Plan.

The Compensation Committee plans to make Awards after receipt of shareholder approval, but the value of all benefits or amounts that will be received by or allocated to the participants under the 2016 Plan are not determinable. Pursuant to the terms of their employment agreements, the Compensation Committee expects to make equity awards to Messrs. Bursleson and West promptly after approval of the 2016 Plan by shareholders, but the types and amounts of such awards have not yet been determined.

The 2016 Plan will be administered by the Compensation Committee of the Board (the “Compensation Committee”) so long as it is comprised of not less than three directors who are considered “non-employee directors” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, “outside directors” pursuant to Section 162(m) of the Internal Revenue Code (the “Code”), and “independent” as that term is defined by the rules of the Nasdaq, Inc. If the Compensation Committee does not meet the foregoing requirements, the 2016 Plan will be administered by such other committee appointed by the Board as meets such requirements. Subject to the terms of the 2016 Plan and applicable law, the Compensation Committee (or its delegate) and/or the Board will have full power and authority to: (1) designate participants; (2) determine the type or types of Awards to be granted to each participant; (3) determine the number of shares of the Company’s common stock to be covered by (or with respect to which payments, rights or other matters are to be calculated in connection with) Awards; (4) determine the terms and conditions of any Award; (5) determine whether, to what extent and under what circumstances Awards may be settled or exercised in cash, shares of the Company’s common stock, other Awards, other property, net settlement, or any combination thereof, or canceled, forfeited or suspended, and the method or methods by which Awards may

be settled, exercised, canceled, forfeited or suspended; (6) determine whether, to what extent and under what circumstances cash, shares of the Company's common stock, other Awards, other property and other amounts payable with respect to an Award will be deferred either automatically or at the election of the holder thereof or of the Compensation Committee; (7) amend terms or conditions of any outstanding Awards, including without limitation, to accelerate the time or times at which the Award becomes vested, unrestricted or may be exercised, provided, however, that except as provided in the 2016 Plan, the Committee may not accelerate the vesting of an Award to a date which is less than one year following the grant date of such Award; (8) correct any defect, supply any omission and reconcile any inconsistency in the 2016 Plan or any Award, in the manner and to the extent it deems desirable to carry the 2016 Plan into effect; (9) interpret and administer the 2016 Plan and any instrument or agreement relating to, or Award made under, the 2016 Plan; (10) establish, amend, suspend or waive such rules and regulations and appoint such agents, trustees, brokers, depositories and advisors and determine such terms of their engagement as it deems appropriate for the proper administration of the 2016 Plan and due compliance with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations; and (11) make any other determination and take any other action that the Compensation Committee deems necessary or desirable for the administration of the 2016 Plan and due compliance with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations.

Each grant of an Award will be evidenced by a written agreement and/or other instrument in such form and containing such terms and conditions consistent with the 2016 Plan as the Compensation Committee may determine ("Award Agreement"). If the 2016 Plan is approved by our shareholders, the number of shares of common stock available for issuance under the 2016 Plan for making of Awards will be 400,000 shares, subject to appropriate adjustments as summarized under "—Recapitalization Adjustments."

The following description of the 2016 Plan is a summary of its terms and is qualified in its entirety by reference to the 2016 Plan, a copy of which is attached hereto as Appendix A.

Awards That May Be Granted

Eligible employees will be eligible for Awards of non-qualified stock options ("NSOs"), incentive stock options ("ISOs"), rights to receive shares of common stock at a future date or dates ("Restricted Stock Units"), restricted shares of the Company's common stock ("Restricted Stock"), and/or performance units having a designated value ("Performance Units"). Non-employees (including non-employee directors) will be eligible for Awards of NSOs, Restricted Stock Units and/or Restricted Stock. Except with respect to Awards then outstanding, unless sooner terminated, all Awards must be granted or awarded on or before the 10th anniversary of the date on which the 2016 Plan is approved by our shareholders and becomes effective by its terms.

Options. Options granted under the 2016 Plan may be either ISOs (for eligible employees) or NSOs (for eligible employees and non-employees). No ISO may be awarded under the 2016 Plan to any employee who owns more than 10% of the combined total voting power of the Company or any subsidiary, unless the requirements of Section 422(c)(6) of the Code are satisfied. The exercise price of any ISO or NSO (each, an "Option") may not be less than 100% of the "fair market value" of a share of common stock on the date of grant. For any participant who owns 10% or more of the combined total voting power of the Company or any subsidiary, the exercise price of an ISO will not be less than 110% of the "fair market value" of a share of common stock on the date of grant.

Until an Option is exercised, the participant will not have any right to vote, to receive dividends, or to have or exercise any other rights as a shareholder. In addition, upon exercising an Option, the participant will not be entitled to any dividends declared and paid on the underlying shares between the date of grant and the date of exercise.

The Compensation Committee will determine the expiration date of each Option granted; provided, however, that the term of any ISO will not exceed 10 years. For any participant who owns 10% or more of the combined total voting power of the Company or any subsidiary, the term of each ISO will not exceed five years. In the Compensation Committee's discretion, it may specify the period or periods of time within which each Option

will vest and first become exercisable; provided, however, that except as provided in the 2016 Plan, an Option may not vest less than one year from its grant date.

Each Option granted under the 2016 Plan will terminate upon the expiration date established by the Compensation Committee in the applicable Award Agreement. Otherwise, subject to the terms of the applicable Award Agreement:

- Upon termination of a participant's employment, or termination of the term of a non-employee director, non-vested Options will be forfeited unless the termination is due to disability, retirement or death. In the event of disability, retirement or death, the Compensation Committee may, in its discretion and in compliance with applicable law, decide to vest some or all of the non-vested Options.
- Upon a non-employee director ceasing to be a director other than by reason of disability, retirement or death, vested NSOs may continue to be exercisable for up to 90 days if the Compensation Committee, in its discretion, so decides.
- Upon termination of a participant's employment, other than by reason of disability, retirement or death, vested ISOs may continue to be exercisable for up to 30 days if the Compensation Committee, in its discretion, so decides.
- Upon termination of a participant's employment by reason of disability, vested ISOs will continue to be exercisable until the earlier of one year and the term of the Option.
- Upon termination of a participant's employment by reason of retirement, vested ISOs will continue to be exercisable for three months.
- Upon the death of a participant, vested Options will continue to be exercisable for one year following such participant's death (but in no event will vested ISOs be exercisable more than one year from the date of such participant's termination of employment due to disability or three months from the date of such participant's termination of employment due to retirement, as applicable).
- Upon a non-employee director ceasing to be a director or an employee being terminated, in each case by reason of disability or retirement, vested NSOs will continue to be exercisable for the unexpired term of the NSO.

Restricted Stock and Restricted Stock Units. The Compensation Committee may award Restricted Stock and/or Restricted Stock Units ("Restricted Awards") to eligible employees and non-employees (including non-employee directors). Restricted Awards will vest in the participant in accordance with a vesting schedule established by the Compensation Committee and set forth in the relevant Award Agreement (the "Restriction Period"); provided, however, that except as provided in the 2016 Plan, a Restricted Award may not vest less than one year from its grant date. The Award Agreement will also specify whether the Restricted Award is entitled to voting rights, dividend rights or any other rights during the Restriction Period. Until the expiration of the Restriction Period, and satisfaction of any other applicable restrictions, terms and conditions established by the Compensation Committee, the Restricted Award will be unvested and the participant may not sell, assign, transfer, pledge, encumber or otherwise dispose of or hypothecate the Restricted Award. Except with respect to performance-based restrictions, the Award Agreement may provide that some or all of the shares of common stock subject to the Restricted Award will become free of restrictions and/or may be issued, as applicable, in the event of a participant's disability, retirement or death during the Restriction Period. Otherwise, upon termination of employment during the applicable Restriction Period, all outstanding Restricted Awards will be forfeited.

Performance Units. The Compensation Committee may award Performance Units to eligible employees under the 2016 Plan. If the applicable performance goals established by the Compensation Committee and set forth in the relevant Award Agreement are satisfied, a participant will be entitled to receive payment of the Performance Units in an amount equal to the designated value of each Performance Unit awarded, times the number of such Performance Units so earned. Upon termination of employment, all outstanding Performance Units will be forfeited unless the Award Agreement specifically provides otherwise.

Performance Based Compensation Awards

Awards (other than Options) to certain senior executives will, if the Compensation Committee intends any such Award to qualify as ‘qualified performance based compensation’ under Section 162(m) of the Code, become earned and payable only if pre-established targets relating to one or more performance measures are achieved during a performance period or periods. Such targets may relate to the performance of the Company as a whole, or to one or more business units of the Company, and may be measured over such periods as the Compensation Committee establishes in the applicable Award Agreement. The Compensation Committee may utilize a number of performance measures as set forth in Section 10(b) of the Plan attached hereto as Exhibit A, such measures include, but are not limited to, return measures, revenue, income/earnings, expense, balance sheet/risk management, cash flow, share price strategic objectives, and other measures such as financial ratios, cost of capital or assets under management, and financing and other capital raising transactions. No more than 2,500 shares of common stock may be earned pursuant to any single performance award.

Changes in Control/Related Entity Dispositions

Subject to certain limited exceptions, in the event of a Change in Control, all outstanding Awards will become fully vested and exercisable and be released from any restrictions on transfer (other than transfer restrictions applicable to ISOs) and repurchase or forfeiture rights, except to the extent that such acceleration of exercisability would result in an “excess parachute payment” within the meaning of Code Section 280G.

Subject to certain limited exceptions, in the event of a Related Entity Disposition, all outstanding Awards issued to participants who are engaged primarily in service to the related entity will become fully vested and exercisable and be released from any restrictions on transfer (other than transfer restrictions applicable to ISOs) and repurchase and forfeiture rights.

A “Change in Control” occurs when there has been (1) a Change of Ownership, (2) a Change in Effective Control, or (3) a Change of Asset Ownership, each within the meaning of Section 409A of the Code. A Change of Ownership occurs on the date one person (or group) acquires ownership of stock of the Company that, together with stock previously held, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company, provided that such person (or group) did not previously own 50% or more of the value or voting power of the stock of the Company. A Change in Effective Control occurs on the date either (1) one person (or group) acquires (or has acquired during the preceding 12 months) ownership of stock of the Company possessing 30% or more of the total voting power of the Company’s stock, or (2) a majority of the Board is replaced during any 12 month period by directors whose election is not endorsed by a majority of the members of the Board prior to such election. A Change of Asset Ownership occurs on the date one person (or group) acquires (or has acquired during the preceding 12 months) assets from the Company that have a total gross fair market value that is equal to or exceeds 40% of the total gross fair market value of all the Company’s assets immediately prior to such acquisition.

A “Related Entity Disposition” means the sale, distribution, or other disposition by the Company or a subsidiary of all or substantially all of the interests of the Company or a subsidiary in any related entity effected by a sale, merger or other transaction involving that related entity, or the sale of all or substantially all of the assets of that related entity, other than any Related Entity Disposition to the Company or a subsidiary.

Recapitalization Adjustments

Subject to any required action by the Company's shareholders, the number of shares of common stock covered by each outstanding Award, the number of shares authorized for issuance under the 2016 Plan but as to which no Awards have been granted or that have been returned to the Plan, and the exercise or purchase price of each such outstanding Award, as well as any other terms that the Compensation Committee determines require adjustment, will be proportionately adjusted for (1) any increase or decrease in the number of issued shares of common stock resulting from a stock split, reverse stock split, stock dividend, combination, or reclassification of the Company's common stock, or similar event affecting the Company's common stock, (2) any other increase or decrease in the number of issued shares of common stock effected without receipt of consideration by the Company, or (3) as the Compensation Committee determines in its exclusive discretion, any other transaction with respect to Company's common stock to which Code Section 424(a) applies or any similar transaction.

Termination and Amendment

Unless sooner terminated, the 2016 Plan will continue in effect for a period of 10 years from the date the 2016 Plan is approved by the Company's shareholders and becomes effective by its terms. After such date no further Awards may be granted under the 2016 Plan; however the termination of the 2016 Plan will not affect any previously granted Awards. The Board may at any time suspend, terminate, amend or alter the 2016 Plan, subject to any applicable regulatory requirements and any required shareholder approval or any shareholder approval which the Board may deem advisable for any reason, such as for the purpose of obtaining or retaining any statutory or regulatory benefits under tax, securities or other laws or satisfying applicable stock exchange or quotation system listing requirements. Subject to certain limited exceptions, the Board may not make any such amendment, alteration, suspension or termination which would materially adversely affect the vested rights of any participant under any outstanding Award without the consent of such participant. The Compensation Committee has broad authority to amend or modify any outstanding Award and Award Agreement; however, subject to certain limited exceptions, it may not make any such amendments or modifications that materially adversely affect the rights of any participant without the consent of such participant.

Federal Income Tax Consequences

The following discussion is a brief summary of the principal United States Federal income tax consequences under current Federal income tax laws relating to Awards under the 2016 Plan. This summary is not intended to be exhaustive and, among other things, does not describe state, local or foreign income and other tax consequences.

NSOs. An optionee will not recognize any taxable income upon the grant of an NSO and the Company will not be entitled to a tax deduction with respect to the grant of an NSO. Upon exercise of an NSO, the excess of the fair market value of the underlying shares of common stock on the exercise date over the option exercise price will be taxable as compensation income to the optionee and will be subject to applicable withholding taxes. The Company will generally be entitled to a tax deduction at such time in the amount of such compensation income. The optionee's tax basis for the shares received pursuant to the exercise of an NSO will equal the sum of the compensation income recognized and the exercise price.

In the event of a sale of shares of common stock received upon the exercise of an NSO, any appreciation or depreciation after the exercise date generally will be taxed as capital gain or loss and will be long-term capital gain or loss if the holding period for such shares is more than one year.

ISOs. An optionee will not recognize any taxable income at the time of grant or exercise of an ISO while an employee (or within three months after termination of employment, or one year if termination is by reason of death or disability), and the Company will not be entitled to a tax deduction with respect to such grant or exercise. Exercise of an ISO may, however, give rise to taxable compensation income subject to applicable withholding taxes, and a tax deduction to the Company, if the ISO is not exercised while the optionee is employed by the Company or within 90 days after termination of employment (or one year if termination is by reason of death or

disability), or if the optionee subsequently engages in a 'disqualifying disposition,' as described below. Also, the excess of the fair market value of the underlying shares on the date of exercise over the exercise price will be an item of income for purposes of the optionee's alternative minimum tax.

A sale or exchange by an optionee of shares acquired upon the exercise of an ISO more than one year after the transfer of the shares to such optionee and more than two years after the date of grant of the ISO will result in any difference between the net sale proceeds and the exercise price being treated as long-term capital gain (or loss) to the optionee. If such sale or exchange takes place within two years after the date of grant of the ISO or within one year from the date of transfer of the ISO shares to the optionee, such sale or exchange will generally constitute a 'disqualifying disposition' of such shares that will have the following results: any excess of (1) the lesser of (a) the fair market value of the shares at the time of exercise of the ISO and (b) the amount realized on such disqualifying disposition of the shares over (2) the option exercise price of such shares, will be ordinary income to the optionee, subject to applicable withholding taxes, and the Company will be entitled to a tax deduction in the amount of such income. Any further gain or loss after the date of exercise generally will qualify as capital gain or loss and will not result in any deduction by the Company.

Restricted Stock. A participant will not recognize any income upon the receipt of Restricted Stock unless the participant elects under Section 83(b) of the Code, within 30 days of such receipt, to recognize ordinary income in an amount equal to the fair market value of the Restricted Stock at the time of receipt, less any amount paid for the shares. If Restricted Stock for which a Section 83(b) election has been made is subsequently forfeited, the participant will not be able to recover any taxes that were paid as a result of such election. If the election is not made, the participant will generally recognize ordinary income, on the date that the restrictions to which the Restricted Stock is subject are removed, in an amount equal to the fair market value of such shares on such date, less any amount paid for the shares. At the time the participant recognizes ordinary income, the Company generally will be entitled to a deduction in the same amount.

Generally, upon a sale or other disposition of Restricted Stock with respect to which the participant has recognized ordinary income (i.e., a Section 83(b) election was previously made or the restrictions were previously removed), the participant will recognize capital gain or loss in an amount equal to the difference between the amount realized on such sale or other disposition and the participant's basis in such shares. Such gain or loss will be long-term capital gain or loss if the holding period for such shares is more than one year.

Restricted Stock Units and Performance Units. The grant of an award of Restricted Stock Units or Performance Units will not result in income for the participant or in a tax deduction for the Company. Upon the settlement of such an Award, the participant will recognize ordinary income equal to the aggregate value of the payment received, and the Company generally will be entitled to a tax deduction in the same amount.

The above and other descriptions of Federal income tax consequences are necessarily general in nature and do not purport to be complete. Moreover, statutory provisions are subject to change, as are their interpretations, and their application may vary in individual circumstances. Such descriptions may not be used to avoid any Federal tax penalty, and are provided on the basis and with the intent that such descriptions may not be used to avoid any federal tax penalty. Such descriptions are written to support this Proxy Statement. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor. Finally, the consequences under applicable state and local income tax laws may not be the same as under the Federal income tax laws.

Vote Required for Approval

Adoption of the 2016 Plan will be approved by shareholders if more shares are voted for approval than against approval. Brokers and other nominees are not permitted to vote on approval of the 2016 Plan, so to be sure your shares are voted, please be sure to instruct your broker or other nominee as to how you wish to vote.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR APPROVAL
OF THE 2016 LONG-TERM STOCK INCENTIVE PLAN**

OTHER MATTERS

Our Board of Directors knows of no other business to be presented at the meeting of shareholders. If matters other than those described herein should properly come before the meeting, the persons named in the enclosed form of proxy intend to vote at such meeting in accordance with their best judgment on such matters.

AVAILABILITY OF ANNUAL REPORT

You may obtain copies of our Annual Report to Shareholders for the year ended December 31, 2015, free of charge by requesting such report in writing from William M. Brown, Secretary, Community First Bancorporation, Post Office Box 459, Seneca, South Carolina 29679.

Exhibit A

**COMMUNITY FIRST
BANCORPORATION**

2016 Long-Term Stock Incentive Plan

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2016 Long-Term Stock Incentive Plan

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COMMUNITY FIRST BANCORPORATION

2016 LONG-TERM STOCK INCENTIVE PLAN

1. **Purpose.** The purpose of this Plan is to further and promote the interests of Community First Bancorporation (the “Company”) and its shareholders by enabling the Company and its Subsidiaries and Related Entities, including Community First Bank (the “Bank”) to attract, retain and motivate key employees and certain non-employees with a relationship with the Company or a Subsidiary or Related Entity (such as Non-Employee Directors), and to align the interests of such persons and the interests of others with those of the Company’s shareholders. Additionally, this Plan’s objectives are to provide a competitive reward for achieving longer-term goals, provide balance to short-term incentive awards, and reinforce one unified perspective among Participants serving the Company in differing capacities and areas of focus. To do so, this Plan offers a variety of equity-based incentive awards and opportunities to provide such key employees and non-employees described above with a proprietary interest in maximizing the growth, profitability and overall success of the Company.

2. **Definitions.** For purposes of this Plan, the following terms shall have the meanings set forth below:

2.1 **“Award”** means an award, grant or issuance of an Option, Restricted Stock, Restricted Stock Units, and/or Performance Unit made to a Participant under Sections 6, 7, and/or 8.

2.2 **“Award Agreement”** means the agreement pursuant to which an Award is granted, which may, but need not, be executed by the Participant. Such Award Agreement shall be in the form of a written agreement evidencing the terms and conditions of an individual Award granted under the Plan which may, in the discretion of the Company, be transmitted electronically to any Participant. Each Award Agreement shall be subject to the terms and conditions of the Plan.

2.3 **“Board”** means the Board of Directors of the Company, as constituted from time to time.

2.4 **“Change in Control”** means a “change in control” as defined by Section 409A. Section 409A provides that a “change in control” means (i) a Change of Ownership, (ii) a Change in Effective Control, or (iii) a Change of Asset Ownership, in each case, as defined herein.

2.4.1 **“Change of Ownership”** shall be deemed to have occurred on the date one person (or group) acquires ownership of stock of the Company that, together with stock previously held, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company, provided that such person (or group) did not previously own 50% or more of the value or voting power of the stock of the Company.

2.4.2 **“Change in Effective Control”** shall be deemed to have occurred on the date either (A) one person (or group) acquires (or has acquired during the preceding 12 months) ownership of stock of the Company possessing 30% or more of the total voting power of the Company’s stock or (B) a majority of the Company’s Board of Directors is replaced during any 12 month period by directors whose election is not endorsed by a majority of the members of the Company’s Board of Directors prior to such election.

2.4.3 **“Change of Asset Ownership”** shall be deemed to have occurred on the date one person (or group) acquires (or has acquired during the preceding 12 months) assets from the Company that have a total gross fair market value that is equal to or exceeds 40% of the total gross fair market value of all the Company’s assets immediately prior to such acquisition.

2.5 “Code” means the Internal Revenue Code of 1986, as in effect and as amended from time to time, or any successor statute thereto, together with any rules, regulations and interpretations promulgated thereunder or with respect thereto.

2.6 “Committee” means the Compensation Committee of the Board if such committee is constituted in accordance with Section 3, or such other committee appointed by the Board as constituted in accordance with Section 3 if the Compensation Committee is not so constituted.

2.7 “Common Stock” means the common stock of the Company.

2.8 “Company” means Community First Bancorporation, a South Carolina corporation, and any successor thereto.

2.9 “Covered Employee” means an individual who is, for a given fiscal year of the Company, (i) a “covered employee” within the meaning of Section 162(m) of the Code or (ii) designated by the Committee but not later than 90 days following the start of such year (or such other time as may be required or permitted by Section 162(m) of the Code) as an individual whose compensation for such fiscal year may be subject to the limit on deductible compensation imposed by Section 162(m) of the Code.

2.10 “Death” means the date and time of death of a Participant who has received an Award, as established by the relevant death certificate.

2.11 “Director” means any member of the Company’s Board and, for eligibility purposes, a director of any Subsidiary or Related Entity.

2.12 “Disability” means the date on which a Participant who has received an Award becomes totally and permanently disabled (as defined herein). A Participant shall be considered totally and permanently disabled if he or she (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for at least three (3) months under an accident and health plan covering employees of the Participant’s employer. If a Participant is determined to be totally disabled by the Social Security Administration, he or she shall also be considered totally and permanently disabled for purposes of the Plan.

2.13 “Exchange Act” means the Securities Exchange Act of 1934, as in effect and as amended from time to time, or any successor statute thereto, together with any rules, regulations and interpretations promulgated thereunder or with respect thereto.

2.14 “Fair Market Value” means the market price per share of Common Stock, determined by the Committee in accordance with the requirements of Sections 409A and 422 of the Code, as of the date specified in the context within which such term is used:

2.14.1 If the Company’s Common Stock is (a) listed on any established securities exchange (such as the New York Stock Exchange, the NASDAQ Global Market or the NASDAQ Global Select Market), (b) listed on any national market system or (c) listed, quoted or traded on any automated quotation system, its Fair Market Value shall be the closing sales price for a share of the Company’s Common Stock as quoted on such exchange or system for such date or, if there is no closing sales price for a share of the Company’s Common Stock on the date in question, the closing sales price for a share of Company’s Common Stock on the last preceding date for which such quotation exists, as reported in *The Wall Street Journal* or such other source as the Committee deems reliable; or

2.14.2 If the Company's Common Stock is not listed on an established securities exchange, national market system or automated quotation system, but the Company's Common Stock is regularly quoted by a recognized securities dealer, its Fair Market Value shall be the mean of the high bid and low asked prices for such date or, if there are no high bid and low asked prices for a share of the Company's Common Stock on such date, the high bid and low asked prices for a share of the Company's Common Stock on the last preceding date for which such information exists, as reported in *The Wall Street Journal* or such other source as the Committee deems reliable; or

2.14.3 If the Company's Common Stock is neither listed on an established securities exchange, national market system or automated quotation system nor regularly quoted by a recognized securities dealer, its Fair Market Value shall be the fair market value of the Company's Common Stock established by the Committee in good faith.

2.14.4 The Committee shall maintain a written record of its method of determining Fair Market Value.

2.15 **"Incentive Stock Option"** means any stock option granted pursuant to the provisions of Section 6 that is intended to be (and is specifically designated as) an "incentive stock option" within the meaning of Section 422 of the Code.

2.16 **"Non-Employee Director"** means a Director who is not an employee of the Company, any Subsidiary or any Related Entity.

2.17 **"Non-Qualified Stock Option"** means any stock option awarded pursuant to the provisions of Section 6 of the Plan that is not an Incentive Stock Option.

2.18 **"Parent"** means a corporation, other than the Company, in an unbroken chain of corporations ending with the Company, if on the date of grant of an Award each corporation, other than the Company, owns stock possessing at least 50% of the total combined voting power of all classes of stock in one of the other corporations in the chain.

2.19 **"Participant"** means a key employee or non-employee who is selected by the Committee under Section 5 to receive an Award.

2.20 **"Performance Award"** means an Award designated as such pursuant to Section 10.

2.21 **"Performance Period"** means the period established by the Committee at the time any Award is granted or at any time thereafter during which any performance goals specified by the Committee with respect to such Award are measured.

2.22 **"Performance Units"** means the units of monetary value granted under Section 8.

2.23 **"Plan"** means this Community First Bancorporation 2016 Long-Term Stock Incentive Plan, as in effect and as amended from time to time (together with any rules and regulations promulgated by the Committee with respect thereto).

2.24 **"Registration"** means the registration by the Company under the Securities Act and applicable state securities and "blue sky" laws of this Plan, of the Offering of Awards under this Plan and/or Common Stock acquirable under this Plan.

2.25 **"Related Entity"** means a corporation or other entity, other than the Company, to which the Participant primarily provides services on the date of grant of an Award, and any corporation or other entity, other than the Company, in an unbroken chain of corporations or other entities beginning with the Company in

which each corporation or other entity has a controlling interest in another corporation or other entity in the chain, ending with the corporation or other entity that has a controlling interest in the corporation or other entity to which the Participant primarily provides services on the date of grant of an Award. For a corporation, a controlling interest means ownership of stock possessing at least 50% of total combined voting power of all classes of stock, or at least 50% of the total value of all classes of stock. For a partnership or limited liability company, a controlling interest means ownership of at least 50% of the profits interest or capital interest of the entity. In determining ownership, the provisions set forth in Treasury Regulation §§1.414(c)-3 and 1.414(c)-4 apply.

2.26 “Related Entity Disposition” means the sale, distribution, or other disposition by the Company or a Subsidiary of all or substantially all of the interests of the Company or a Subsidiary in any Related Entity effected by a sale, merger or other transaction involving that Related Entity, or the sale of all or substantially all of the assets of that Related Entity, other than any Related Entity Disposition to the Company or a Subsidiary. To the extent Section 409A applies to an Award, a Related Entity Disposition means a Change in Control of the Related Entity under Section 409A.

2.27 “Restricted Award” means an Award of Restricted Stock or an Award of Restricted Stock Units pursuant to the provisions of Section 7.

2.28 “Restricted Stock” means the restricted Shares granted pursuant to the provisions of Section 7 with the restriction that the holder may not sell, transfer, pledge, or assign such Restricted Stock and such other restrictions (which other restrictions may expire separately or in combination, at one time, from time to time or in installments), as determined by the Committee in accordance with and as set forth in this Plan and/or the applicable Award Agreement.

2.29 “Restricted Stock Unit” means a contractual right granted under Section 7 that is denominated in Shares. Each Restricted Stock Unit represents a right to receive the value of one Share upon the terms and conditions set forth in this Plan and the applicable Award Agreement. Awards of Restricted Stock Units may include, without limitation, the right to receive dividend equivalents.

2.30 “Retirement” means (i) as to officers and employees, retirement from active employment with the Company and its Subsidiaries in accordance with the Company’s then existing retirement policies, and (ii) as to Non-Employee Directors, the same as “Retirement” under the retirement policy then in effect for the applicable Board upon the date of the receipt of an Award; provided, however, that in the case of any Award granted under the Plan to which Section 409A applies, the Participant must have a Separation from Service in order to obtain payment of the Award due to Retirement.

2.31 “Section 162(m) Compensation” means “qualified performance-based compensation” under Section 162(m) of the Code.

2.32 “Section 409A” means Section 409A of the Code, as amended, including regulations and guidance issued thereunder from time to time.

2.33 “Section 424 Corporate Transaction” means the occurrence, in a single transaction or a series of related transactions, of any one or more of the following: (i) a sale or disposition of all or substantially all of the assets of the Company and its Subsidiaries; (ii) a sale or other disposition of more than 50% of the outstanding stock of the Company; (iii) the consummation of a merger or similar transaction after which the Company is not the surviving corporation; (iv) the consummation of a merger, consolidation, or similar transaction after which the Company is the surviving corporation but the shares outstanding immediately preceding the merger, consolidation, or similar transaction are converted or exchanged by reason of the transaction into other stock, property, or cash; or (v) a distribution by the Company (excluding an ordinary dividend or a stock split or stock dividend described in Treasury Regulation §1.424-1(e)(4)(v)).

2.34 “Securities Act” means the Securities Act of 1933, as in effect and amended from time to time, or any successor statute thereto, together with any rules, regulations and interpretations promulgated thereunder or with respect thereto.

2.35 “SEC” means the Securities and Exchange Commission and any successor thereto.

2.36 “Separation from Service” means an employee, director, or other person providing services to the Company, a Subsidiary or a Related Entity has a “separation from service” within the meaning of Section 409A, including when the Participant dies, retires or has a termination of service as explained in the following provisions:

2.36.1 The employment relationship is treated as continuing intact while the Participant is on military leave, sick leave, or other *bona fide* leave of absence, if the period of leave does not exceed six (6) months or, if longer, as long as the Participant’s right to reemployment with the Company, a Subsidiary or a Related Entity is provided by statute or contract. A leave of absence is *bona fide* only if there is a reasonable expectation that the employee will return to perform services for the Company, a Subsidiary or a Related Entity. If the period of leave exceeds six (6) months and the Participant’s right to reemployment is not provided by statute or contract, the employment relationship shall be deemed to terminate on the first day immediately following the six (6) month period;

2.36.2 A director or contractor has a separation from service upon the expiration of the contract, and if there is more than one contract, all contracts, under which the director or contractor performs services as long as the expiration is a good faith and complete termination of the contractual relationship; and

2.36.3 If a Participant performs services in more than one capacity, the Participant must separate from service in all capacities as an employee, director, and contractor. Notwithstanding the foregoing, if a Participant provides services both as an employee and a director, the services provided as a director are not taken into account in determining whether the Participant has a separation from service as an employee under a nonqualified deferred compensation plan in which the Participant participates as an employee and that is not aggregated under Section 409A with any plan in which the Participant participates as a director. In addition, if a Participant provides services both as an employee and a director, the services provided as an employee are not taken into account in determining whether the Participant has a separation from service as a director under a nonqualified deferred compensation plan in which the Participant participates as a director and that is not aggregated under Section 409A with any plan in which the Participant participates as an employee.

2.37 “Shares” shall mean shares of the Company’s Common Stock or the shares of any class of stock into which such Common Stock are converted.

2.38 “Specified Employee” means “specified employee” as defined by Section 409A.

2.39 “Stock Options” means Incentive Stock Options and Non-Qualified Stock Options.

2.40 “Subsidiary(ies)” means a subsidiary corporation, whether now or hereafter existing, under Code Section 424(f).

3. Administration.

3.1 The Committee. This Plan shall be administered by the Committee. The Committee shall be comprised of not less than three (3) of the then members of the Board who are “non-employee directors” within the meaning of SEC Regulation §240.16b-3, or any successor thereto, promulgated under the Exchange Act, who are “outside directors” pursuant to Section 162(m) of the Code, and who are “independent” as that term is

defined by the relevant stock exchange on which the Common Stock is then listed or, if the Common Stock is not listed, as such term is defined by Nasdaq, Inc. Members of the Committee shall serve at the pleasure of the Board, and the Board may at any time and from time to time remove members from the Committee, or, subject to the immediately preceding sentence, add members to the Committee. A majority of the members of the Committee shall constitute a quorum for the transaction of business. Any act or acts approved in writing by all of the members of the Committee then serving shall be the act or acts of the Committee (as if taken by unanimous vote at a meeting of the Committee duly called and held).

3.2 Plan Administration and Plan Rules. Subject to the terms of the Plan and applicable law, including but not limited to Section 15 hereof, the Committee (or its delegate) shall have full power and authority to: (a) designate Participants; (b) determine the type or types of Awards to be granted to each Participant under the Plan; (c) determine the number of Shares to be covered by (or with respect to which payments, rights or other matters are to be calculated in connection with) Awards; (d) determine the terms and conditions of any Award; (e) determine whether, to what extent and under what circumstances Awards may be settled or exercised in cash, Shares, other Awards, other property, net settlement, or any combination thereof, or canceled, forfeited or suspended, and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended; (f) determine whether, to what extent and under what circumstances cash, Shares, other Awards, other property and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Committee; (g) amend terms or conditions of any outstanding Awards, including without limitation, to accelerate the time or times at which the Award becomes vested, unrestricted or may be exercised; provided, however, that except as provided herein, in no event shall the Committee have the discretion to accelerate the vesting of an Award to a date which is less than one year following the date of such Award's grant; (h) correct any defect, supply any omission and reconcile any inconsistency in the Plan or any Award, in the manner and to the extent it shall deem desirable to carry the Plan into effect; (i) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (j) establish, amend, suspend or waive such rules and regulations and appoint such agents, trustees, brokers, depositories and advisors and determine such terms of their engagement as it shall deem appropriate for the proper administration of the Plan and due compliance with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations; and (k) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan and due compliance with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations. Notwithstanding anything to the contrary contained herein, the Board may, in its sole discretion, at any time and from time to time, grant Awards or administer the Plan. In any such case, the Board shall have all of the authority and responsibility granted to the Committee herein.

3.3 Section 409A Matters. It is intended that the Plan and the Awards issued hereunder fall within available exemptions from the application of Section 409A (for example, the incentive stock option exemption, the exemption for certain nonqualified stock options and stock appreciation rights issued at Fair Market Value, the restricted property exemption, and/or the short-term deferral exemption) and are therefore not required to comply with Section 409A requirements. The Plan and the Awards will be administered and interpreted in a manner consistent with the intent set forth herein. Notwithstanding anything to the contrary in this Plan or in any Award Agreement, (a) this Plan and each Award Agreement may be amended from time to time as the Committee may determine to be necessary or appropriate in order to avoid this Plan, any grant of any Awards, or any Award Agreement from resulting in the inclusion of any compensation in the gross income of any Participant under Section 409A, and (b) if any provision of this Plan or of any Award Agreement would otherwise result in the inclusion of any compensation in the gross income of any Participant under Section 409A, then such provision shall not apply as to such Participant and the Committee, in its discretion, may apply in lieu thereof another provision that (in the judgment of the Committee) accomplishes the intent of this Plan or such Award Agreement without resulting in such inclusion so long as such action by the Committee does not violate Section 409A. The Company makes no representation or warranty regarding the treatment of this Plan or the benefits payable under this Plan or any Award Agreement under federal, state or local income tax laws, including Section 409A.

3.4 Liability Limitation. Neither the Board nor the Committee, nor any member of either, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with this Plan (or any Award Agreement), and the members of the Board and the Committee shall be entitled to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, attorneys' fees) arising or resulting therefrom to the fullest extent permitted by the Articles of Incorporation and/or Bylaws of the Company as then in effect and to the fullest extent under any directors and officers liability insurance coverage which may be in effect from time to time.

4. Term of Plan/Shares Subject to Plan.

4.1 Term. This Plan shall terminate May 25, 2026, except with respect to Awards then outstanding. After such date no further Awards shall be granted under this Plan.

4.2 Shares Subject to Plan.

4.2.1 Shares. The Board shall reserve for Awards under this Plan 400,000 shares of the authorized and unissued Shares. In the event of a change in the Common Stock of the Company that is limited to a change in the designation thereof to "Capital Stock" or other similar designation, or to a change in the par value thereof or from no par value to par value, or from par value to no par value, without increase or decrease in the number of issued shares, the shares resulting from any such change shall be deemed to be the Shares for purposes of this Plan. Shares which may be issued under this Plan shall be authorized and unissued shares of Common Stock. No fractional portion of a Share shall be issued under this Plan.

4.2.2 Maximum Number of Shares. The maximum number of Shares for which Awards may be granted to any Participant in any one (1) calendar year is 5,000 Shares.

4.2.3 Available Shares. Subject to Section 4.3, the maximum number of Shares authorized for issuance under this Plan shall be 400,000.

4.3 Computation of Available Shares. Subject to the provisions of the following sentence, for the purpose of computing the total number of Shares available for Awards, there shall be counted against the limitations set forth in Section 4.2 the maximum number of Shares potentially subject to issuance upon exercise or settlement of Awards granted under this Plan, in each case determined as of the date on which such Awards are granted. If any Awards expire unexercised or are forfeited, surrendered, canceled, terminated or settled in cash in lieu of Shares, the Shares which were theretofore subject (or potentially subject) to such Awards shall again be available for Awards under this Plan to the extent of such expiration, forfeiture, surrender, cancellation, termination or settlement of such Awards; provided, however, that forfeited Awards shall not again be available for Awards under this Plan if the Participant received, directly or indirectly, any of the benefits of ownership of the securities of the Company underlying such Award, including, without limitation, the benefits described in Section 7.1.

5. Eligibility. Employees eligible for Awards under the Plan shall consist of key employees who are officers or managers of the Company, its Subsidiaries and/or its Related Entities who are responsible for the management, growth and protection of the business of the Company, its Subsidiaries and/or its Related Entities and whose performance or contribution, in the sole discretion of the Committee, benefits or will benefit the Company in a significant manner. Non-employees (e.g., those with third party relationships such as Non-Employee Directors of the Company and/or a Subsidiary) shall be eligible for Awards of Non-Qualified Stock Options, Restricted Stock Units, and/or Restricted Stock at the sole discretion of the Committee.

6. Stock Options.

6.1 Terms and Conditions. Stock Options awarded under this Plan may be in the form of Incentive Stock Options or Non-Qualified Stock Options. Such Stock Options shall be subject to the terms and

conditions of this Plan and any additional terms and conditions, not inconsistent with the express terms and conditions of this Plan, as the Committee shall set forth in the applicable Award Agreement.

6.2 Grant. Stock Options may be granted under this Plan in such form as the Committee may from time to time approve. Stock Options may be granted alone or in addition to other Awards. Notwithstanding the above, no Incentive Stock Options shall be granted to any employee who owns more than ten percent (10%) of the combined total voting power of the Company or any Subsidiary, unless the requirements of Section 422(c)(6) of the Code are satisfied.

6.3 Exercise Price. The exercise price per Share subject to a Stock Option shall be determined by the Committee at the time of Award; provided, however, that the exercise price of any Stock Option shall not be less than 100% of the Fair Market Value of the Share on the date of the Award of such Stock Option. For any Participant who owns ten percent (10%) or more of the combined total voting power of the Company or any Subsidiary, the exercise price of an Incentive Stock Option shall not be less than 110% of such Fair Market Value.

6.4 Requirements for Non-Qualified Stock Options. All Non-Qualified Stock Options shall be issued at no less than 100% of Fair Market Value as provided for in Section 6.3. The number of shares subject to each Non-Qualified Stock Option will be fixed in the applicable Award Agreement. When the Non-Qualified Stock Options are transferred or exercised, the transfer or exercise shall be subject to taxation under Code Section 83 and Treasury Regulation §1.83-7. No Non-Qualified Stock Option awarded hereunder shall contain any feature for the deferral of compensation other than the deferral of recognition of income until the later of exercise or disposition of the option under Treasury Regulation §1.83-7 or the time the Shares acquired pursuant to the exercise of the option first becomes substantially vested as defined in Treasury Regulation §1.83-3(b). Further, each Non-Qualified Stock Option will comply with any other Section 409A requirement in order to maintain the status of the Non-Qualified Stock Option as exempt from the requirements of Section 409A.

6.5 Limitation on Incentive Stock Options. The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code. Incentive Stock Options may be granted only to employees of the Company or a subsidiary corporation (as defined in Section 422(a) of the Code). Notwithstanding any designation as an Incentive Stock Option, to the extent that the aggregate Fair Market Value of Shares subject to a Participant's Incentive Stock Options that become exercisable for the first time during any calendar year exceeds \$100,000, such excess Options shall be treated as Non-Qualified Stock Options. For purposes of the foregoing, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the shares shall be determined as of the time of grant.

6.6 Term. The term of each Stock Option shall be such period of time as is fixed by the Committee at the time of grant; provided, however, that the term of any Incentive Stock Option shall not exceed ten (10) years after the date the Incentive Stock Option is awarded. For any Participant who owns ten percent (10%) or more of the combined total voting power of the Company or any Subsidiary, the term of each Incentive Stock Option shall not exceed five (5) years.

6.7 Method of Exercise. A Stock Option may be exercised, in whole or in part, by giving written notice of exercise to the Corporate Secretary of the Company, or such other officer of the Company as the Committee shall designate, specifying the number of shares to be purchased. Such notice shall be accompanied by payment in full of the exercise price in cash, by certified check, bank draft or money order payable to the order of the Company or, if permitted by the terms of the relevant Award Agreement or by the Committee (on either a selective or group basis), and by applicable law, by delivery of, alone or in conjunction with a partial cash or instrument payment, or by delivery of other forms or methods of payment, including Shares, net settlement, broker assisted cashless exercise or any combination thereof. Payment instruments shall be received by the Company subject to collection. The proceeds received by the Company upon exercise of any Stock Option may be used by the Company for general corporate purposes.

6.8 Date of Exercise. Vesting dates of Stock Options awarded to a Participant will be determined by the Committee in its discretion and specified in the applicable Award Agreement, provided however that except as provided herein, in no event shall the vesting period of an Option be less than one year from its date of grant. Stock Options that meet the vesting requirements may be exercised in whole or in part at any time and from time to time during their specified terms.

6.9 Shareholder Rights. Until Stock Options are exercised, a Participant shall not have any right to vote, to receive dividends, or to have or exercise any other rights as a shareholder. In addition, on exercise of a Stock Option, the Participant shall not be entitled to any dividends declared and paid on the underlying shares between the date of grant and the date of exercise.

7. Restricted Awards.

7.1 Terms and Conditions. Restricted Awards shall be in the form of grants of Restricted Stock and/or Restricted Stock Units. Restricted Awards shall be subject to the terms and conditions set forth in this Section 7, if applicable, Section 10, and any additional terms and conditions, not inconsistent with the express terms and provisions of this Plan, as the Committee shall set forth in the applicable Award Agreement. The Award Agreement shall specify the vesting schedule and whether the Restricted Stock and/or Restricted Stock Unit, as applicable, is entitled to voting rights, dividend rights or any other rights; provided, however, that except as otherwise provided herein, such Restricted Stock or Restricted Stock Unit shall not vest any sooner than the one year anniversary of its date of grant. The Committee may specify in the applicable Award Agreement that any or all dividends, dividend equivalents or other distributions, as applicable, paid on Restricted Stock and/or the Share underlying a Restricted Stock Unit, as applicable, prior to vesting or settlement, as applicable, be paid either in cash or in additional Shares and either on a current or deferred basis and that such dividends, dividend equivalents or other distributions may be reinvested in additional Shares, which may be subject to the same restrictions as the underlying Awards; provided, however, that dividends, dividend equivalents or other distributions, as applicable, on Restricted Stock and/or Restricted Stock Units, as applicable, with restrictions that lapse as a result of the achievement of performance conditions shall be deferred until and paid contingent upon the achievement of the applicable performance conditions.

7.2 Restricted Awards. An Award of Restricted Stock is an Award of Shares and an Award of Restricted Stock Units is an Award of a contractual right to receive Shares, in each case, subject to such restrictions, terms and conditions as the Committee deems appropriate, including, without limitation, restrictions on the sale, assignment, transfer, pledge, hypothecation or other disposition of such Shares or contractual right, as applicable, and the requirements that such Shares or contractual right, as applicable, be forfeitable as set forth in the applicable Award Agreement.

7.3 Grants of Awards.

7.3.1 Restricted Awards may be granted alone or in addition to any other Awards. Subject to the terms of this Plan, the Committee shall determine the number of Restricted Awards to be granted to a Participant and the Committee may impose different terms and conditions on any particular Restricted Award made to any Participant.

7.3.2 Shares of Restricted Stock or issuable pursuant to a Restricted Award shall be issued and registered in the **name** of the Participant. The stock transfer books of the Company's designated Stock Transfer Agent shall be noted with the following notation with reference to the Shares made subject to an Award of Restricted Stock:

“These shares are subject to the terms and restrictions of the Community First Bancorporation 2016 Long-Term Stock Incentive Plan and the applicable Award Agreement thereunder; such shares are subject to forfeiture or cancellation under the terms of said Plan; and such shares shall not be sold, transferred, assigned, pledged, encumbered, or otherwise alienated or hypothecated

except pursuant to the provisions of said Plan, a copy of which Plan is available from the Corporate Secretary of Community First Bancorporation upon request.”

7.4 Restriction Period. In accordance with Sections 7.1 and 7.2, Restricted Awards shall only become unrestricted and vest in the Participant in accordance with such vesting schedule relating to any service period restriction applicable to such Restricted Award as set forth in the relevant Award Agreement (the “Restriction Period”); provided that except as provided herein, such Restriction Period shall be no less than one year from date of grant. During the Restriction Period applicable to an Award of Restricted Stock, such Shares of Restricted Stock shall be unvested and a Participant may not sell, assign, transfer, pledge, encumber or otherwise dispose of or hypothecate such Shares. Upon expiration of the Restriction Period, and satisfaction of any other applicable restrictions, terms and conditions, the Participant shall be entitled to receive payment of the Award of Restricted Stock or the Restricted Stock Units, or a portion thereof as the case may be, as provided in Section 7.5.

7.5 Distribution of Shares. After expiration of the Restriction Period and the satisfaction and/or lapse of the restrictions, terms and conditions set by the Committee in respect of an Award of Restricted Stock, the notation set forth in Section 7.3.2 shall be removed from the certificates representing the vested Shares on or before the 30th day following the satisfaction and/or lapse of the restrictions, terms and conditions. The remaining Shares, if any, issued in respect of such Restricted Award shall either be forfeited and canceled, or shall continue to be subject to the restrictions, terms and conditions set by the Committee, as the case may be. After expiration of the Restriction Period and the satisfaction and/or lapse of the restrictions, terms and conditions set by the Committee in respect of an Award of Restricted Stock Units, the number of Shares vested in the Participant shall be issued to the Participant no later than the 15th day of the third month following the end of the Participant’s taxable year in which he or she vests in the Award. The remaining Shares, if any, issued in respect of such Restricted Award shall either be forfeited and canceled, or shall continue to be subject to the restrictions, terms and conditions set by the Committee, as the case may be.

If, and to the extent the Committee intends that a Restricted Award granted under this Section 7 shall constitute or give rise to Section 162(m) Compensation, such Restricted Award shall be structured in accordance with the requirements of Section 10, including the performance criteria set forth therein, and any such Restricted Award shall be considered a Performance Award for purposes of this Plan.

8. Performance Units.

8.1 Terms and Conditions. Awards of Performance Units shall be subject to the terms and conditions set forth in this Section 8, if applicable, Section 10, and any additional terms and conditions, not inconsistent with the express provisions of this Plan, as the Committee shall set forth in the applicable Award Agreement.

8.2 Performance Unit Grants. A Performance Unit is an Award of units (with each unit representing such monetary amount as is designated by the Committee in the Award Agreement) granted to a Participant, subject to such terms and conditions as the Committee deems appropriate, including, without limitation, the requirement that the Participant forfeit such units (or a portion thereof) in the event certain performance criteria are not met within a designated period of time.

8.3 Grants. Performance Units may be awarded alone or in addition to any other Awards. Subject to the terms of this Plan, the Committee shall determine the number of Performance Units to be awarded to a Participant and the Committee may impose different terms and conditions on any particular Performance Units awarded to any Participant.

8.4 Performance Goals and Performance Periods. Participants receiving Awards of Performance Units shall only earn and be entitled to payment in respect of such Awards if the Company, a Subsidiary and/or another Related Entity specified by the Committee and/or the Participant satisfy certain performance goals during and in respect of one of more designated performance period(s) of at least 12 consecutive

months as determined by the Committee. Such goals and periods shall be established by the Committee in its sole discretion and shall be set forth in writing in the Award Agreement. Performance periods may overlap each other from time to time, and the Committee may set different performance periods for different performance goals. The Committee shall also establish in the Award Agreement a written schedule or schedules for such Performance Units setting forth the portion of the Award which will be earned or forfeited based on the degree of achievement, or lack thereof, of the performance goals at the end of the relevant performance period(s).

8.5 Payment of Units. With respect to each Performance Unit, the Participant shall, if the applicable performance goals have been satisfied by the Company, a Subsidiary and/or a Related Entity and/or the Participant, as applicable, during the relevant performance period(s), be entitled to receive payment in an amount equal to the designated value of each Performance Unit awarded times the number of such Performance Units so earned. Payment in settlement of earned Performance Units shall be made on or before the 75th day following the conclusion of the applicable performance period(s) in cash as provided in the relevant Award Agreement, but no later than the 15th day of the third month following the end of the Participant's taxable year that includes or coincides with the end of the performance period.

If, and to the extent the Committee intends that an Award granted under this Section 8 shall constitute or give rise to Section 162(m) Compensation, such Award shall be structured in accordance with the requirements of Section 10, including the performance criteria set forth therein, and any such Award shall be considered a Performance Award for purposes of the Plan.

9. Deferral Elections. Subject to the following provisions and to the extent permitted by applicable law, including Section 409A, the Committee may permit a Participant to elect to defer receipt of any payment of cash or any delivery of Shares that would otherwise be due to such Participant by virtue of the exercise, earn out or settlement of any Award made under the Plan other than an Award of Stock Options.

9.1 Stock Options awarded under Section 6 shall not be deferred under this Section 9.

9.2 If so provided in the Award Agreement, and permitted by applicable law, payment of Restricted Stock and payment of Shares under a Restricted Stock Unit, may be deferred by the Participant if the following conditions are met: (i) the Participant makes his or her deferral election on or before the 30th day following the grant of the Award, (ii) at the time of the deferral election, the Participant must continue to provide services to the Company (or a Subsidiary or Related Entity) for at least 12 months in order to obtain the right to payment of the Restricted Stock, and (iii) the applicable Restriction Period will not end for at least 12 months following the date of the deferral election.

9.3 If so provided in the Award Agreement and permitted by applicable law, payment of Performance Units in cash may be deferred by the Participant if the following conditions are met: (i) the Participant continues to provide services to the Company (or a Subsidiary or Related Entity) continuously from the date the performance goals are established through the date of the deferral election, and (ii) the Participant makes his or her deferral election at least six (6) months prior to the end of the last performance period giving rise to the Participant's right to payment of Performance Units; provided, however, that in no event will an election to defer be made after the payment of the Performance Units has become both substantially certain and readily ascertainable.

If a deferral election is permitted under this Section 9, the Committee shall establish rules and procedures for such deferrals, including, without limitation, the payment or crediting of reasonable interest on such deferred amounts credited in cash or the crediting of dividend equivalents in respect of deferred Awards credited in Shares.

10. Performance Awards. Awards made to Covered Employees may be designated by the Committee as Performance Awards and constituting Section 162(m) Compensation. Performance Awards shall comply with the following terms and conditions and with such additional terms and conditions as the Committee shall determine, in either case not inconsistent with the provisions of the Plan:

(a) A Performance Award shall condition the right of a Participant to exercise the Award or have it settled, and the timing thereof, upon achievement or satisfaction or such performance conditions as may be specified by the Committee. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions. Subject to the terms of the Plan, the performance goals to be achieved during any Performance Period, the length of any Performance Period, the amount of any Performance Award granted and the amount of any payment or transfer to be made pursuant to any Performance Award shall be determined by the Committee.

(b) Each such Performance Award shall include a pre-established formula, such that payment, retention or vesting of the Award is subject to the achievement during a Performance Period or Performance Periods, as determined by the Committee, of a level or levels of, or increases or decreases, in each case as determined by the Committee, one or more of the following performance measures or any other performance measure reasonably determined by the Committee, with respect to the Company, a Subsidiary and/or a Related Entity:

(i) return measures (including, but not limited to, total shareholder return; return on equity; return on tangible common equity; return on tier 1 common equity; return on assets or net assets; return on risk-weighted assets; and return on capital (including return on total capital or return on invested capital));

(ii) revenues (including, but not limited to, total revenue; gross revenue; net revenue; revenue growth; and net sales);

(iii) income/earnings measures (including, but not limited to, earnings per share; earnings or loss (including earnings before or after interest, taxes, depreciation and amortization); gross income; net income after cost of capital; net interest income; non-interest income; fee income; net interest margin; operating income (before or after taxes); pre- or after-tax income or loss; pre- or after-tax operating income; net earnings; net income or loss; operating margin; gross margin; and adjusted net income);

(iv) expense measures (including, but not limited to, expenses; operating efficiencies; non-interest expense and operating/efficiency ratios or percentages; and improvement in or attainment of expense levels or working capital levels (including cash and accounts receivable));

(v) balance sheet/risk management measures (including, but not limited to, loans; deposits; assets; tangible equity; charge-offs; net charge-offs; non-performing assets or loans; risk-weighted assets; classified assets; criticized assets; allowance for loans and lease losses; loan loss reserves; asset quality levels; year-end cash; investments; interest-sensitivity gap levels; regulatory compliance; satisfactory internal or external audits; financial ratings; shareholders' equity; tier 1 capital; and liquidity);

(vi) cash flow measures (including, but not limited to, cash flow or cash flow per Share (before or after dividends); and cash flow return on investment);

(vii) Share price measures (including, but not limited to, Share price; appreciation in and/or maintenance of Share price; and market capitalization);

(viii) strategic objectives (including, but not limited to, market share; debt reduction; operating efficiencies; customer satisfaction; customer or customer household growth; employee satisfaction; research and development achievements; branding; mergers and acquisitions; merger integration; succession management; people development; management retention; expense reduction initiatives; reductions in costs; risk management; regulatory compliance and achievements; and recruiting and maintaining personnel); and

(ix) other measures (including, but not limited to, financial ratios (including those measuring liquidity, activity, profitability or leverage); cost of capital or assets under management; and financing and other capital raising transactions.

Performance criteria may be measured on an absolute or relative basis, may be established on a corporate-wide basis or with respect to one or more business units, may be based on a ratio or separate calculation of any performance criteria and may be made relative to an index or one or more of the performance goals themselves. Relative performance may be measured against a group of peer companies, a financial market index or other acceptable objective and quantifiable indices. Performance measures may vary from Performance Award to Performance Award and from Participant to Participant, and may be established on a stand-alone basis, in tandem or in the alternative. The Committee shall have the power to impose such other restrictions on Awards subject to this Section 10 as it may deem necessary or appropriate to ensure that such Awards satisfy all requirements for Section 162(m) Compensation or requirements of any applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations. Notwithstanding any provision of this Plan to the contrary, the Committee shall not be authorized to increase (but may decrease) the amount payable under any Performance Award upon attainment of such pre-established formula.

(c) Performance Awards shall be settled only after the end of the relevant Performance Period. The Committee may, in its discretion, reduce the amount of a settlement otherwise to be made in connection with a Performance Award but, to the extent required by Section 162(m) of the Code, may not exercise discretion to increase any amount payable to a Covered Employee in respect of a Performance Award intended to qualify as Section 162(m) Compensation. Any settlement that changes the form of payment from that originally specified shall be implemented in a manner such that the Performance Award does not, solely for that reason, fail to qualify as Section 162(m) Compensation.

(d) For a Performance Award subject to any pre-established formula, no more than 2,500 Shares can be paid in satisfaction of such Award to any Participant, subject to adjustment as provided in Section 13.

11. Termination of Employment or Service.

11.1 General. Subject to the terms and conditions of Section 14, if, and to the extent the terms and conditions under which an Award may be exercised, earned out or settled after a Participant's termination of employment (or other engagement) or a Non-Employee Director ceases to be a director, for any particular reason shall not have been set forth in the relevant Award Agreement, by and as determined by the Committee in its sole discretion and in accordance with Section 409A to the extent Section 409A applies to the Award, the following terms and conditions shall apply as appropriate and as not inconsistent with the terms and conditions, if any, of such Award Agreement:

11.1.1 Except as otherwise provided in this Section 11.1.1 or Section 14:

(a) If the employment by the Company or any of its Subsidiaries or Related Entities of a Participant who is an employee or the term of a Participant who is a Non-Employee Director is terminated for any reason (other than Disability, Retirement or Death) while Stock Options granted to such Participant are non-vested, such Participant's rights, if any, to exercise any non-vested Stock Options, if any, shall immediately terminate and the Participant (and such Participant's estate, designated beneficiary or other legal representative) shall forfeit any rights or interest in or with respect to any such Stock Options. In the event of Disability, Retirement or Death while a Participant's Stock Options are non-vested, such non-vested Stock Options shall become vested to the extent determined by the Committee in compliance with applicable law.

(b) The Committee, in its sole discretion, may determine that vested Incentive Stock Options, if any, of a Participant whose employment terminates other than by reason of Disability, Retirement or Death, to the extent exercisable immediately prior to such termination of employment or service as a director, may remain exercisable for a specified time period not to exceed 30 days after such termination (subject to the applicable terms and provisions of this Plan).

(c) If a Participant's termination of employment is due to Disability, the Participant shall have the right, subject to the applicable terms and provisions of this Plan and the relevant Award Agreement, to exercise Incentive Stock Options, if any, at any time within the period ending on the earlier of the end of the term of such Incentive Stock Options and the first anniversary of the date of termination due to Disability (to the extent such Participant was entitled to exercise any such Incentive Stock Options immediately prior to such termination).

(d) If a Participant's termination of employment is due to Retirement, the Participant shall have the right, subject to the applicable terms and provisions of this Plan and the relevant Award Agreement, to exercise Incentive Stock Options, if any, at any time within three (3) months following such termination due to Retirement (to the extent such Participant was entitled to exercise any such Incentive Stock Options immediately prior to such termination).

(e) If any Participant dies while entitled to exercise a Stock Option, if any, such Participant's estate, designated beneficiary or other legal representative, as the case may be, shall have the right, subject to the applicable provisions of the Plan (and any rules or procedures hereunder) and the relevant Award Agreement, to exercise such Stock Options, if any, at any time within one (1) year from the date of such Participant's Death (but in no event more than one (1) year from the date of such Participant's termination of employment due to Disability or three (3) months from the date of such Participant's termination of employment due to Retirement, as applicable).

(f) If vested Stock Options held by a Participant who is an employee and whose employment is terminated by reason of Disability or Retirement are Non-Qualified Stock Options, the Participant shall have the right, subject to the applicable terms and provisions of this Plan and the relevant Award Agreement, to exercise such Non-Qualified Stock Options at any time following the Participant's termination of employment (to the extent the Participant was entitled to exercise such Non-Qualified Stock Options immediately prior to such termination) and prior to the expiration date of such Non-Qualified Stock Options as fixed by the Committee and set forth in the Award Agreement related thereto.

(g) In the event of the Disability, Retirement or Death of a Non-Employee Director while the Non-Employee Director's Non-Qualified Stock Options are non-vested, such non-vested, Non-Qualified Stock Options shall become vested to the extent determined by the Committee. The Committee, in its sole discretion, may determine that vested Non-Qualified Stock Options, if any, of a Non-Employee Director who ceases to be a director other than by reason of Disability, Retirement or Death, to the extent exercisable immediately prior to such cessation, may remain exercisable for a specified time period not to exceed 90 days after such cessation (subject to the applicable terms and provisions of this Plan and the relevant Award Agreement). If the cessation of a Non-Employee Director's status as a director is due to Retirement or Disability, the Non-Employee Director shall have the right, subject to the applicable terms and provisions of this Plan and the relevant Award Agreement, to exercise such vested Non-Qualified Stock Options, if any, at any time within the period following such cessation due to Retirement or Disability (to the extent such Non-Employee Director was entitled to exercise any such Non-Qualified Stock Options immediately prior to such cessation) and prior to the expiration date of such Non-Qualified Stock Options as fixed by the Committee and as set forth in the Award Agreement related thereto. If any Non-Employee Director dies while entitled to exercise Non-Qualified Stock Options, such Non-Employee Director's estate, designated beneficiary or other legal representative, as the case may be, shall have the right, subject to the applicable provisions of this Plan and the relevant Award Agreement, to exercise such Non-Qualified Stock Options, if any, at any time within one (1) year from the date of such Non-Employee Director's Death.

11.1.2 Unless otherwise provided in the Award Agreement, if a Participant's employment with the Company or any of its Subsidiaries is terminated for any reason (other than Disability, Retirement or Death) prior to the satisfaction and/or lapse of the restrictions, terms and conditions applicable to Restricted Award(s), such Restricted Award or Awards shall be forfeited. Except

with respect to restrictions which are performance-based, if the Committee so determines in its discretion, the Award Agreement may provide that some or all of the Shares subject to an Award of Restricted Stock shall become free of restrictions, or the Shares underlying Restricted Stock Units may be issued, in the event of a Participant's Disability, Retirement or Death during the Restriction Period.

11.1.3 Unless **otherwise** provided in the Award Agreement, if a Participant's employment with the Company or any of its Subsidiaries or Related Entities is terminated for any reason prior to the completion of any Performance Period, all of such Participant's Performance Units earnable in relation to such Performance Period shall be forfeited. If the Committee so determines in its discretion, the Award Agreement may provide that some or all of such Participant's Performance Units will be paid if the Participant's termination of employment is due to Disability, Retirement or Death during the Performance Period.

12. Non-Transferability of Awards.

12.1 Except as otherwise provided in Section 12.2, no Award under this Plan or any Award Agreement, and no rights or interests therein, shall or may be assigned, transferred, sold, exchanged, pledged, disposed of or otherwise hypothecated or encumbered by a Participant or any beneficiary thereof, except by testamentary disposition or the laws of descent and distribution. No such right or interest shall be subject to seizure for the payment of the Participant's (or any beneficiary's) debts, judgments, alimony, or separation maintenance or be transferable by operation of law in the event of the Participant's (or any beneficiary's) bankruptcy or insolvency. Except as otherwise provided in Section 12.2, during the lifetime of a Participant, Stock Options are exercisable only by the Participant.

12.2 A Participant who holds Non-Qualified Stock Options (whether such Stock Options were Non-Qualified Stock Options when awarded or subsequent to the Award thereof became Non-Qualified Stock Options pursuant to applicable law or any provision of this Plan) may assign those Non-Qualified Stock Options to a Permitted Assignee (as defined below) at any time after the Award is made, but prior to the expiration date, of such Non-Qualified Stock Options if as of the time of such transfer (i) a registration statement on Form S-8 (or any successor form) filed by the Company under the Securities Act, with respect to this Plan (and the Awards granted and Shares issuable hereunder) and (ii) a registration statement on Form S-3 (or any successor form) filed by the Company under the Securities Act with respect to Shares issuable to Permitted Assignees have been declared effective by the SEC and all applicable state securities and blue sky authorities, and remain in effect. Each such transferred Non-Qualified Stock Option shall continue to be governed by the applicable terms and provisions of this Plan (and any rules or procedures hereunder) and the applicable Award Agreement with the transferor Participant, and the Permitted Assignee shall be entitled to the same rights and subject to the same obligations, restrictions, limitations and prohibitions under this Plan and such Award Agreement as the transferor Participant, as if such assignment had not taken place; provided, however, that no Non-Qualified Stock Option assigned to a Permitted Assignee may be assigned by that Permitted Assignee. The term "Permitted Assignee" shall mean such persons and entities as are permitted assignees of Non-Qualified Stock Options under the SEC's regulations, rules and interpretations existing at the time of the proposed transfer.

13. Changes in Capitalization and Other Matters.

13.1 No Corporate Action Restriction. The existence of this Plan, Award Agreements and/or the Awards granted hereunder shall not limit, affect or restrict in any way the right or power of the Board or the shareholders of the Company to make or authorize (a) any adjustment, recapitalization, reorganization or other change in the Company's, any Subsidiary's or any Related Entity's capital structure or its business, (b) any merger, share exchange or change in the ownership of the Company, any Subsidiary or any Related Entity, (c) any issuance of bonds, debentures, capital, preferred or prior preference stocks ahead of or affecting the Company's, any Subsidiary's or any Related Entity's capital stock or the rights thereof, (d) any dissolution or liquidation of the Company, any Subsidiary or any Related Entity, (e) any sale or transfer of all or any part of the Company's, any Subsidiary's or any Related Entity's assets or business, or (f) any other corporate act or proceeding by the

Company, any Subsidiary or any Related Entity. No Participant, Permitted Assignee, beneficiary or any other person shall have any claim against any member of the Board, the Committee, the Company, any Subsidiary or any Related Entity as a result of any such action.

13.2 Recapitalization Adjustments. Subject to any required action by the Company's shareholders, the number of Shares covered by each outstanding Award, and the number of Shares that have been authorized for issuance under the Plan but as to which no Awards have yet been granted or that have been returned to the Plan, the exercise or purchase price of each such outstanding Award, as well as any other terms that the Committee determines in its exclusive discretion require adjustment, shall be proportionately adjusted for (a) any increase or decrease in the number of issued Shares resulting from a stock split, reverse stock split, stock dividend, combination, or reclassification of the Shares, or similar event affecting the Shares; (b) any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company; or (c) as the Committee determines in its exclusive discretion, any other transaction with respect to Shares to which Code Section 424(a) applies or any similar transaction; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been effected without receipt of consideration. Such adjustment, if any, shall be made by the Committee in its exclusive discretion, and its determination shall be final, binding and conclusive. Except as the Committee determines in its exclusive discretion, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or price of Shares subject to an Award.

14. Changes in Control/Related Entity Dispositions.

14.1 Acceleration of Awards Vesting. Except as otherwise provided in Section 14.2, the following provisions apply as applicable:

14.1.1 Change in Control. On the specified effective date of a Change in Control, each Award that is at the time outstanding automatically shall become fully vested and exercisable and be released from any restrictions on transfer (other than transfer restrictions applicable to Incentive Stock Options) and repurchase or forfeiture rights, immediately prior to the specified effective date of such Change in Control, for all the Shares at the time represented by such Award (except to the extent that such acceleration of exercisability would result in an "excess parachute payment" within the meaning of Code Section 280G). Notwithstanding the foregoing provisions, the Committee may, in its exclusive discretion, provide as part of a Section 424 Corporate Transaction that any one or more of the foregoing provisions shall not apply.

14.1.2 Related Entity Disposition. On the specified effective date of a Related Entity Disposition, for each Participant who on such specified effective date is engaged primarily in service to the Related Entity that is the subject of the Related Entity Disposition, each Award that is at the time outstanding automatically shall become fully vested and exercisable and be released from any restrictions on transfer (other than transfer restrictions applicable to Incentive Stock Options) and repurchase and forfeiture rights, immediately prior to the specified effective date of such Related Entity Disposition, for all the Shares at the time represented by such Award. Notwithstanding the foregoing provisions, the Committee may, in its exclusive discretion, provide as part of a Section 424 Corporate Transaction that any one or more of the foregoing provisions shall not apply.

14.1.3 Code Section 424 Matters. The Committee may provide in any Award, Award Agreement, or as part of a Section 424 Corporate Transaction, that if the requirements of Treas. Reg. §1.424-1 (without regard to the requirement described in Treas. Reg. §1.424-1(a)(2) that an eligible corporation be the employer of the Participant) would be met if the stock right were an Incentive Stock Option, the substitution of a new stock right pursuant to a Section 424 Corporate Transaction for an outstanding stock right or the assumption of an outstanding stock right pursuant to a Section 424 Corporate Transaction shall not be treated as the grant of a new stock right or a change in the form of payment. The requirement of Treas. Reg. §1.424-1(a)(5)(iii) is deemed satisfied if the ratio of the exercise price to the

Fair Market Value of the Shares immediately after the substitution or assumption is not greater than the ratio of the exercise price to the Fair Market Value of the Shares immediately before the substitution or assumption. In the case of a transaction described in Code Section 355 in which the stock of the distributing corporation and the stock distributed in the transaction are both readily tradable on an established securities market immediately after the transaction, the requirements of Treas. Reg. §1.424-1(a)(5) may be satisfied by:

- (1) using the last sale before or the first sale after the specified date as of which such valuation is being made, the closing price on the last trading day before or the trading day of a specified date, the arithmetic mean of the high and low prices on the last trading day before or the trading day of such specified date, or any other reasonable method using actual transactions in such stock as reported by such market on a specified date, for the stock of the distributing corporation and the stock distributed in the transaction, provided the specified date is designated before such specified date, and such specified date is not more than 60 days after the transaction;
- (2) using the arithmetic mean of such market price on trading days during a specified period designated before the beginning of such specified period, when such specified period is no longer than 30 days and ends no later than 60 days after the transaction; or
- (3) using an average of such prices during such pre-specified period weighted based on the volume of trading of such stock on each trading day during such pre-specified period.

14.2 Six-Month Rule. The provisions of Section 14.1 shall not apply to any Award that has been granted and outstanding for less than six (6) months as of the date of the Change in Control or Related Entity Disposition.

14.3 Payment. On or before the 60th day after a Change in Control or Related Entity Disposition occurs, (a) the holder of an Award of Restricted Stock shall receive shall be entitled to have the notation set forth in Section 7.3.2 removed from the Company's stock transfer books reflecting his or her ownership of such Shares, (b) the holder of Restricted Stock Units shall be entitled to have issued to the Participant the Shares underlying the Participant's Restricted Stock Units, and (c) the holder of an Award of Performance Units shall receive payment of the value of such Award in cash. Notwithstanding the foregoing, to the extent Section 409A applies to an Award, payment of the Award shall be made no later than the 15th day of the third month following the Participant's taxable year in which the Change in Control or Related Entity Disposition occurred (or is deemed to have occurred pursuant to Section 14.4).

14.4 Termination as a Result of a Potential Change in Control. In determining the applicability of Section 14.1.1 as it relates to a Change in Control, if (a) a Participant's employment is terminated by the Company, any Subsidiary or any Related Entity (and the termination constitutes a Separation from Service) prior to a Change in Control without Cause (as defined in Section 14.5) at the request of a Person (as defined in Section 14.5) who has entered into an agreement with the Company the consummation of which will constitute a Change in Control, or (b) the Participant terminates his or her employment with the Company, any Subsidiary or any Related Entity for Good Reason prior to a Change in Control (and incurs a Separation from Service) and the circumstance or event which constitutes Good Reason occurs at the request of the Person described in Section 14.5.4, then for purposes of this Section 14, a Change in Control shall be deemed to have occurred immediately prior to such Participant's termination of employment.

14.5 Definitions. For purposes of this Section 14, the following words and phrases shall have the meaning specified:

14.5.1 "Beneficial Owner" shall have the meaning set forth in SEC Regulation §240.13d-3 or any successor regulation.

14.5.2 “Cause” shall mean, unless otherwise defined in an employee Participant’s individual employment agreement with the Company, any Subsidiary or any Related Entity (in which case such employment agreement definition shall govern), (a) the indictment of the Participant for any serious crime, (b) the willful and continued failure by the Participant to substantially perform the Participant’s duties, as they may be defined from time to time, with the Participant’s primary employer or to abide by the written policies of the Company or the Participant’s primary employer (other than any such failure resulting from the Participant’s incapacity due to physical or mental illness), or (c) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to the Company, any Subsidiary or any Related Entity, monetarily or otherwise. For purposes of the preceding sentence, no act shall be considered “willful” unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that such act, or failure to act, was in the best interests of the Company and its Subsidiaries.

14.5.3 “Good Reason” for termination by a Participant of the Participant’s employment shall mean, unless otherwise defined in an employee Participant’s individual employment agreement with the Company, any Subsidiary or any Related Entity (in which case such employment agreement definition shall govern), a Participant’s voluntary Separation from Service when the following conditions are satisfied:

(a) The Separation from Service occurs no later than two (2) years after the initial existence of one or more of the following conditions that arise without the Participant’s consent:

- i. a material diminution in the Participant’s base compensation;
- ii. a material diminution in the Participant’s authority, duties, or responsibilities;
- iii. a material change in the geographical location at which the Participant performs services; or
- iv. any other act or failure to act that constitutes a material breach by the Company, a Subsidiary, or a Related Entity of any individual employment agreement under which the Participant provides services; and

(b) The Participant gives written notice to the Board or other governing body of the entity to which the Participant primarily provides services of the condition described in subparagraph (1) above within 90 days of its initial existence, and upon receipt of the written notice, the Company, Subsidiary, or Related Entity has 30 days to cure it.

14.5.4 “Person” shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 14(d) and 15(d) thereof; provided, however, a Person shall not include (a) the Company or any Subsidiary, (b) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a Subsidiary qualified under Section 401(a) of the Code, (c) an underwriter temporarily holding securities pursuant to an offering of such securities, or (d) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of securities of the Company.

14.5.5 “Surviving Entity” shall mean only an entity in which all or substantially all of the Company’s shareholders immediately before any merger, share exchange or liquidation become shareholders by the terms of such merger, share exchange or liquidation.

14.6 Adverse Tax Consequences. If the making of any payment or payments pursuant to this

Section 14 or otherwise would (a) subject the Participant to an excise tax under Code Section 4999, or any like or successor section thereto, or (b) result in the Company's loss of a federal income tax deduction for such payments under Code Section 280G, or any like or successor section thereto (either or both, an "Adverse Tax Consequence"), then, unless otherwise expressly provided in a relevant Award Agreement, the payments attributable to this Plan that are "parachute payments" within the meaning of Code Section 280G may be reduced, as determined by the Committee in its sole discretion, but after consultation with the Participant affected, to the extent necessary to avoid any Adverse Tax Consequence. Any disputes regarding whether any payments to a Participant would result in an Adverse Tax Consequence shall be resolved by an opinion of a nationally recognized accounting firm acceptable to the Company and the Participant (with the Company's independent auditors being deemed acceptable).

15. Amendment, Suspension and Termination.

15.1 In General. The Board may suspend or terminate this Plan (or any portion thereof) at any time and may amend or otherwise alter this Plan at any time and from time to time in such respects as the Board may deem advisable to insure that any and all Awards conform to or otherwise reflect any change in applicable laws or regulations, or to permit the Company or the Participants to benefit from any change in applicable laws or regulations, or in any other respect the Board may deem to be in the best interests of the Company or any Subsidiary; provided, however, that no such amendment shall, without the requisite shareholder approval to the extent required by law or the rules of any exchange upon which the Shares are listed or any market on which the Shares are qualified for quotation, (a) except as provided in Section 13, materially increase the number of Shares which may be issued under this Plan, (b) materially modify the requirements as to eligibility for participation in this Plan, (c) materially increase the benefits accruing to Participants under this Plan, or (d) extend the termination date of this Plan. No such amendment, alteration, suspension or termination shall (i) materially adversely affect the vested rights of any Participant under any outstanding Award, without the consent of such Participant (except to the extent any amendment, alteration, suspension or termination is made to cause the Plan to comply with applicable law, stock market or exchange rules, accounting or tax rules or regulations, or any "clawback" or recoupment laws, rules or regulations, or (ii) make any change that would disqualify this Plan, or any other plan of the Company or any Subsidiary intended to be so qualified, from (A) the exemption provided by SEC Regulation §240.16b-3, or any successor thereto, or (B) the benefits provided under Section 422 or any successor thereto. Further provided, that no amendment, suspension, or termination shall be effected if it will violate Section 409A, to the extent that Section 409A applies to the portion(s) of this Plan being so amended, suspended and/or terminated.

15.2 Award Agreements. The Committee may amend or modify at any time and from time to time any outstanding Award and Award Agreement, in any manner to the extent that the Committee would have had the authority under this Plan to initially determine the restrictions, terms and provisions of such Award, including, without limitation, to change the date or dates as of which Stock Options may be exercised provided, however, that except as provided in Section 3.2, in no event shall the Committee have the discretion to accelerate the vesting of an Award to a date which is less than one year following the date of such Award's grant. No such amendment or modification shall, however, materially adversely affect the vested rights of any Participant under any such Award and Award Agreement without the consent of such Participant (except to the extent any amendment, alteration, suspension or termination is made to cause the Plan to comply with applicable law, stock market or exchange rules, accounting or tax rules or regulations, or any "clawback" or recoupment laws, rules or regulations. Further provided, that no amendment or modification shall be effected if it will violate Section 409A, to the extent that Section 409A applies to the portion(s) of the Award and Award Agreement being so amended or modified. Finally notwithstanding anything in this Plan or an Award Agreement to the contrary, the terms of outstanding Awards may not be amended to reduce the exercise price of outstanding Options or cancel outstanding Options in exchange for cash, other awards or Options (including cash buyouts and voluntary surrender of underwater Options) with an exercise price that is less than the exercise price of the original Options without shareholder approval.

16. Miscellaneous.

16.1 Tax Withholding. The Company shall have the right to deduct from any payment or settlement under this Plan, including, without limitation, the exercise of any Stock Option, the payment of any Performance Unit or the delivery or vesting of any Shares, any federal, state, local or other taxes of any kind which the Committee, in its sole discretion, deems necessary to be withheld to comply with the Code and/or any other applicable law, rule or regulation. If the Committee, in its sole discretion, permits Shares to be used to satisfy any such tax withholding, such Shares shall be valued based on the Fair Market Value of such Shares as of the date the tax withholding is required to be made, such date to be determined by the Committee. The Committee may establish rules limiting the use of Shares to meet withholding requirements by Participants who are subject to Section 16 of the Exchange Act.

16.2 No Right to Employment. Neither the adoption of this Plan, the granting of any Award, nor the execution of any Award Agreement shall confer upon any employee of the Company, any Subsidiary or any Related Entity any right to continued employment with the Company, any Subsidiary or any Related Entity, as the case may be, nor shall it interfere in any way with the right, if any, of the Company, any Subsidiary or any Related Entity to terminate the employment of any employee at any time for any reason.

16.3 No Right to Participate. No employee, Participant or other person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of employees, Participants or other persons under this Plan. The terms and conditions of Award Agreements need not be the same with respect to each Participant. Any Award granted under the Plan shall be a one-time Award that does not constitute a promise of future grants. The Company, in its sole discretion, maintains the right to make available future grants under the Plan.

16.4 Unfunded Plan. This Plan shall be unfunded and the Company shall not be required to segregate any assets in connection with any Awards. Any liability of the Company to any Person with respect to any Award or any Award Agreement shall be based solely upon the contractual obligations that may be created as a result of this Plan or any such Award or Award Agreement. No such obligation of the Company shall be deemed to be secured by any pledge of, encumbrance on, or other interest in, any property or asset of the Company, any Subsidiary or any Related Entity. Nothing contained in this Plan or any Award Agreement shall be construed as creating in respect of any Participant (or beneficiary thereof, any Permitted Assignee or any other person) any equity or other interest of any kind in any assets of the Company, any Subsidiary or any Related Entity creating a trust of any kind or a fiduciary relationship of any kind between the Company, any Subsidiary, any Related Entity and/or any such Participant, any beneficiary, any Permitted Assignee or any other person.

16.5 Payments to a Trust. The Committee is authorized to cause to be established a trust agreement or several trust agreements or similar arrangements from which the Committee may make payments of amounts due or to become due to any Participant under this Plan so long as the establishment of the trust agreement(s) is consistent with Code Section 409A and other applicable law.

16.6 Other Company Benefit and Compensation Programs. Payments and other benefits received by a Participant under an Award shall not be deemed a part of a Participant's compensation for purposes of the determination of benefits under any other employee welfare or benefit plans or arrangements, if any, provided by the Company, any Subsidiary or any Related Entity unless expressly provided in such other plans or arrangements, or except where the Board expressly determines in writing that inclusion of an Award or portion of an Award should be included to accurately reflect competitive compensation practices or to recognize that an Award has been made in lieu of a portion of competitive annual base salary or other cash compensation. Awards may be made in addition to, in combination with, or as alternatives to, grants, awards or payments under any other plans or arrangements of the Company, its Subsidiaries or its Related Entities. The existence of this Plan notwithstanding, the Company, any Subsidiary and any Related Entity may adopt such other compensation plans or programs and additional compensation arrangements as it deems necessary to attract, retain and motivate employees.

16.7 Severable Provisions. If any provision of the Plan or any Award Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award Agreement, such provision shall be stricken as to such jurisdiction, person or Award, and the remainder of the Plan and any such Award Agreement shall remain in full force and effect.

16.8 No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

16.9 Listing, Registration and Other Legal Compliance. No Award shall be made and no Shares shall be issued under this Plan, and no assignment of a Non-Qualified Stock Option to a Permitted Assignee shall be made, unless legal counsel for the Company shall be satisfied that such issuance or assignment will be in compliance with all applicable federal and state securities laws and regulations and any other applicable laws or regulations. The Committee may require, as a condition of any payment of any Award, share issuance or assignment of Non-Qualified Stock Options, that certain agreements, undertakings, representations, certificates, and/or information, as the Committee may deem necessary or advisable, be executed or provided to the Company to assure compliance with all such applicable laws or regulations. Shares delivered under this Plan may be subject to such stop transfer orders and such other restrictions as the Committee may deem advisable under the rules, regulations, or other requirements of the SEC and the applicable securities market and any applicable federal or state securities law. In addition, if, at any time specified herein (or in any Award Agreement) for (a) the making of any determination, (b) the issuance or other distribution of Shares, or (c) the payment of amounts to or through a Participant with respect to any Award, any law, rule, regulation or other requirement of any governmental authority or agency shall require either the Company, any Subsidiary, any Related Entity or any Participant (or any designated beneficiary or other legal representative) or any Permitted Assignee to take any action in connection with any such determination, any such shares to be issued or distributed, any such payment, or the making of any such determination, as the case may be, shall be deferred until such required action is taken.

16.10 Award Agreements. Each Participant receiving an Award shall enter into an Award Agreement with the Company in a form specified by the Committee. Each such Participant shall be deemed to have agreed to the restrictions, terms and conditions of the Award set forth therein.

16.11 Designation of Beneficiary. Each Participant to whom an Award has been made may designate a beneficiary or beneficiaries to receive any payment which under the terms of this Plan and the relevant Award Agreement may become payable on or after the Participant's death. At any time, and from time to time, any such designation may be changed or canceled by the Participant without the consent of any such beneficiary. Any such designation, change or cancellation must be on a form provided for that purpose by the Committee and shall not be effective until received by the Committee. If no beneficiary has been named by a deceased Participant, or if the designated beneficiaries have predeceased the Participant, the beneficiary shall be the Participant's estate. If the Participant designates more than one beneficiary, any payments under this Plan to such beneficiaries shall be made in equal shares unless the Participant has expressly designated otherwise, in which case the payments shall be made in the shares designated by the Participant.

16.12 Leaves of Absence/Transfers. The Committee shall have the power to promulgate rules, policies and regulations and to make determinations, as it deems appropriate, under this Plan in respect of any leave of absence from the Company, any Subsidiary or any Related Entity granted to a Participant. Without limiting the generality of the foregoing, the Committee may determine whether any such leave of absence shall be treated as if the Participant has terminated employment with the Company, any such Subsidiary or Related Entity. Provided, however, that to the extent Section 409A applies to any portion(s) of the Plan, the determination of whether a leave of absence constitutes a Separation from Service for purposes of those portion(s) shall be made in accordance with

Section 409A, and a leave of absence of longer than six (6) months shall be considered a Separation from Service for those portion(s) of the Plan subject to Section 409A unless the Participant has a contractual or statutory right to return to work at the end of a longer leave of absence. If a Participant transfers within the Company, or to or from any Subsidiary or Related Entity, such Participant shall not be deemed to have terminated employment as a result of such transfers.

16.13 Payments Upon Termination of Employment and Delay of Certain Payments. For purposes of this Agreement, to the extent an Award is subject to Section 409A, and payment or exercise of such Award on account of a termination of employment or a Non-Employee Director ceasing to be a director shall only be made if the Participant incurs a Separation from Service. Payment will occur on or before the 60th day after the Separation from Service; provided, however, that if the Participant is a Specified Employee, payment of the Award shall be made on the first day of the seventh (7th) month following the Separation from Service.

16.14 Cancellation or “Clawback” of Awards. The Committee shall have full authority to implement any policies and procedures necessary to comply with Section 10D of the Exchange Act and any rules promulgated thereunder and any other regulatory regimes relating to clawback or recoupment. Notwithstanding anything to the contrary contained herein, the Committee may, to the extent permitted by applicable law and stock exchange rules or by any applicable Company policy or arrangement, and shall, to the extent required, cancel or require reimbursement of any Awards granted to the Participant or any Shares issued or cash received upon vesting, exercise or settlement of any such Awards or sale of Shares underlying such Awards.

16.15 Notices. Except as otherwise provided herein, any notice that the Company or a Participant may be required or permitted to give to the other shall be in writing and shall be deemed duly given when delivered personally or deposited in the United States mail, first class postage prepaid, and properly addressed: Notice, if to the Company, shall be sent to its Corporate Secretary at the following address:

Community First Bancorporation
449 Highway 123 Bypass
Seneca, South Carolina 29678

Any notice sent by mail by the Company to a Participant shall be sent to the most current address of the Participant as reflected on the records of the Company as of the time said notice is required. In the case of a deceased Participant, any notice shall be given to the Participant’s personal representative if such representative has delivered to the Company evidence satisfactory to the Company of such representative’s status as such and has informed the Company of the address of such representative by notice pursuant to this Section 16.15.

16.16 Governing Law. This Plan and all actions taken thereunder shall be governed by and construed in accordance with the laws of the State of South Carolina, without regard to principles of conflict of laws. Any titles and headings herein are for reference purposes only, and shall in no way limit, define or otherwise affect the meaning, construction or interpretation of any provisions of this Plan.

16.17 Effective Date. This Plan became effective as of May 25, 2016, as a result of its approval by the holders of a majority of the Company’s outstanding Common Stock at the Company’s 2016 Annual Meeting of Shareholders.

