THE FREEDOM BANK OF VIRGINIA
10555 Main Street, Suite 100
Fairfax, Virginia 22030
703-242-5300

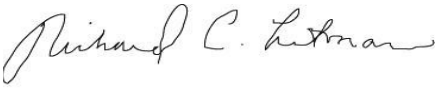
TO THE SHAREHOLDERS OF THE FREEDOM BANK OF VIRGINIA:

You are cordially invited to attend the 2016 Annual Meeting of Shareholders of The Freedom Bank of Virginia. The meeting will be held at Westwood Country Club, 800 Maple Avenue East (Grand Ballroom), Vienna, Virginia on Wednesday, March 16, 2016 at 10:00 a.m., Eastern Daylight Time. The attached Notice of Annual Meeting of Shareholders and Proxy Statement provide details of the business to be conducted at the meeting.

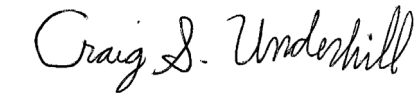
It is important that your shares are represented and voted at the meeting whether or not you are able to attend in person. Please complete, date, sign and return the enclosed proxy card today, even if you plan to attend the Annual Meeting. This will ensure that your vote is counted if you are unable to attend. You may also vote by telephone or over the Internet by following the instructions on the proxy card.

For the reasons set forth in the proxy statement, the Board unanimously recommends that you vote "FOR" the election of each nominee for director and "FOR" each matter to be considered.

Your interest and continued support of The Freedom Bank of Virginia is sincerely appreciated.



Richard C. Litman
Chairman of the Board



Craig S. Underhill
President and Chief Executive Officer

February 19, 2016

THE FREEDOM BANK OF VIRGINIA
10555 Main Street, Suite 100
Fairfax, Virginia 22030
703-242-5300

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To be held March 16, 2016

TO THE SHAREHOLDERS OF THE FREEDOM BANK OF VIRGINIA:

The Annual Meeting of Shareholders of The Freedom Bank of Virginia (the "Bank") will be held at:

Westwood Country Club – in the Grand Ballroom
800 Maple Avenue East
Vienna, Virginia 22180

on Wednesday, March 16, 2016, at 10:00 a.m. Eastern Daylight Time, for the following purposes:

1. To elect four Class II directors and one Class III director to serve until their respective successors have been duly elected and qualified;

2. To approve an Amendment and Restatement of the Articles of Incorporation which provides for, among other things:

    a. An increase in the number of our authorized shares of common stock from 15,000,000 to 25,000,000; the reclassification of our common stock into two classes: (i) Class A voting common stock, par value $0.01 per share, and (ii) Class B non-voting common stock, par value $0.01 per share; and granting the Board the power to classify or reclassify unissued shares of common or preferred stock;

    b. Authorization of 5,000,000 shares of preferred stock, par value $0.01 per share, with the preferences, limitations and relative rights as determined by the Board from time to time;

    c. A reduction of the quorum requirement for a meeting of shareholders to 1/3 of the votes entitled to be cast;

    d. The addition of a provision from our bylaws providing that vacancies on the Board may be filled by a majority vote of the directors then in office;

    e. An increase in the number of shareholder votes necessary to remove a director from a majority to 2/3 of the votes entitled to be cast in an election of directors;

    f. That an amendment to the Articles of Incorporation or approval of a merger or sale of the Bank will require (i) a shareholder vote of a majority of the votes entitled to be cast if at least 2/3 of continuing directors (as defined in the Articles of

Incorporation) approve the amendment or transaction, or (ii) a shareholder vote of 2/3 of the votes entitled to be cast thereon, if at least 2/3 of continuing directors do not approve the amendment or transaction;

g. Action by shareholders by less-than-unanimous written consent, if such action is first approved by the Board;

h. An update to our indemnification obligations to our directors and officers and related people; and

i. The addition of a provision from our bylaws stating that amendments to provisions of the bylaws adopted by the shareholders may be made by the Board unless the bylaws state otherwise, and provisions of the bylaws adopted by the Board may be amended by the Board or by shareholders.

3. To approve an amendment to the 2007 Stock Option and Equity Plan to increase the number of shares of common stock available for issuance under the plan from 633,600 to 833,600; and

4. To ratify the appointment of Thompson, Greenspon & Co., P.C. ("Thompson Greenspon") as the Bank's independent registered public accounting firm for the year ending December 31, 2016.

Only shareholders of record as of the close of business on February 4, 2016 are entitled to notice of and to vote at the meeting or any adjournment or postponement of the meeting.

By Order of the Board of Directors



Cynthia Carter Atwater
Corporate Secretary

February 19, 2016

Please sign, date and return your proxy promptly, whether or not you plan to attend the meeting in person. No postage is required if mailed in the United States in the enclosed envelope. You may vote by telephone or over the Internet. If your shares are not registered in your name, you will need additional documentation from your record holder in order to vote in person at the meeting. The Proxy Statement and Annual Report are available at www.freedombankva.com.

PROXY STATEMENT

The Freedom Bank of Virginia (the "Bank") is providing you with these proxy materials in connection with the solicitation by and on behalf of the Board of Directors (the "Board") of the enclosed proxy to be used at its 2016 Annual Meeting of Shareholders (the "Annual Meeting") of the Bank. The Notice of Internet Availability of Proxy Materials (the "Notice"), this Proxy Statement and the Bank's 2015 annual report (the "2015 Annual Report") will be mailed on or about February 19, 2016 to shareholders of record as of February 4, 2016.

GENERAL INFORMATION

When is the Annual Meeting?

The Annual Meeting will be held on Wednesday, March 16, 2016 at 10:00 a.m. Eastern Time.

Where will the Annual Meeting be held?

The Annual Meeting will be held in the grand ballroom at Westwood Country Club, 800 Maple Avenue East, Vienna, Virginia 22180.

What items will be voted on at the annual meeting?

There are four matters scheduled for a vote:

1. To elect four Class II directors and one Class III director to serve until their respective successors have been duly elected and qualified (**Proposal One**);

2. To approve an Amendment and Restatement of the Articles of Incorporation (**Proposal Two**) which provides for, among other things:

    a. An increase in the number of our authorized shares of common stock from 15,000,000 to 25,000,000; the reclassification of our common stock into two classes: (i) Class A voting common stock, par value $0.01 per share, and (ii) Class B non-voting common stock, par value $0.01 per share; and granting the Board the power to classify or reclassify unissued shares of common or preferred stock;

    b. Authorization of 5,000,000 shares of preferred stock, par value $0.01 per share, with the preferences, limitations and relative rights as determined by the Board from time to time;

    c. A reduction of the quorum requirement for a meeting of shareholders to 1/3 of the votes entitled to be cast;

    d. The addition of a provision from our bylaws providing that vacancies on the Board may be filled by a majority vote of the directors then in office;

    e. An increase in the number of shareholder votes necessary to remove a director from a majority to 2/3 of the votes entitled to be cast in an election of directors;

    f. That an amendment to the Articles of Incorporation or approval of a merger or sale of the Bank will require (i) a shareholder vote of a majority of the votes entitled to

be cast if at least 2/3 of continuing directors (as defined in the Articles of Incorporation) approve the amendment or transaction, or (ii) a shareholder vote of 2/3 of the votes entitled to be cast thereon, if at least 2/3 of continuing directors do not approve the amendment or transaction;

g. Action by shareholders by less-than-unanimous written consent, if such action is first approved by the Board;

h. An update to our indemnification obligations to our directors and officers and related people; and

i. The addition of a provision from our bylaws stating that amendments to provisions of the bylaws adopted by the shareholders may be made by the Board unless the bylaws state otherwise, and provisions of the bylaws adopted by the Board may be amended by the Board or by shareholders;

3. To approve an amendment to the 2007 Stock Option and Equity Plan to increase the number of shares of common stock available for issuance under the plan from 633,600 to 833,600 (**Proposal Three**); and

4. To ratify the appointment of Thompson Greenspon as the Bank's independent registered public accounting firm for the year ending December 31, 2016 (**Proposal Four**).

As of the date of this proxy statement, we are not aware of any other matters that will be presented for consideration at the Annual Meeting.

What are the recommendations of the Board?

Our Board recommends that you vote:

"***FOR***" Proposal One, the election of the four Class II and one Class III director nominees named herein to serve on the Board;

"***FOR***" Proposal Two, the approval of the Amended and Restated Articles of Incorporation;

"***FOR***" Proposal Three, the amendment of the 2007 Stock Option and Equity Plan; and

"***FOR***" Proposal Four, the ratification of the appointment of Thompson Greenspon as the Bank's independent registered public accounting firm for the year ending December 31, 2016.

Will the Bank's directors be in attendance at the Annual Meeting?

The Bank encourages, but does not require, its directors to attend annual meetings of shareholders. However, the Bank anticipates that all of its directors will attend the 2016 Annual Meeting.

Who is entitled to vote at the Annual Meeting?

Only shareholders of record at the close of business on the record date, February 4, 2016, are entitled to receive notice of the Annual Meeting and to vote the shares for which they are shareholders of record on that date at the Annual Meeting, or any postponement or adjournment of the Annual Meeting. As of the close of business on February 4, 2016, we had 5,455,820 shares of common stock outstanding.

How do I vote?

With respect to Proposal One, you may either vote "FOR" each of the nominees to the Board of Directors, or you may vote "WITHHOLD AUTHORITY" for one or more of the nominees. For each of the other proposals to be voted on, you may vote "FOR" or "AGAINST," or abstain from voting altogether. The procedures for voting are fairly simple:

Shareholders of Record: Shares Registered in Your Name. If on February 4, 2016, your shares were registered directly in your name with the Bank's transfer agent, American Stock Transfer & Trust Company, LLC, then you are a shareholder of record. If you are a shareholder of record, you may vote in person at the Annual Meeting or vote by giving us your proxy. You may give us your proxy by completing the enclosed proxy card and returning it in the enclosed postage-prepaid envelope, or by calling a toll-free telephone number or using the Internet as further described below and on the enclosed proxy card. **Whether or not you plan to attend the Annual Meeting, we urge you to fill out and return the enclosed proxy card or to otherwise give your proxy authorization by telephone or Internet, as specified on the proxy card, to ensure your vote is counted.** You may still attend the Annual Meeting and vote in person if you have already voted by proxy or have otherwise given your proxy authorization.

- ***IN PERSON:*** To vote in person, come to the Annual Meeting, and we will give you a ballot when you arrive.

- ***BY MAIL:*** To vote using the enclosed proxy card, simply complete, sign and date the enclosed proxy card and return it promptly in the postage pre-paid envelope provided. If you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you direct.

- ***BY INTERNET:*** To vote by Internet, go to www.voteproxy.com and use the Internet to transmit your voting instructions and for the electronic delivery of information **until** 11:59 p.m. Eastern Time on March 15, 2016. Have your proxy card available when you access the website and then follow the instructions.

- ***BY TELEPHONE:*** To vote by telephone, call 1-800-PROXIES (1-800-776-9437) and use any touch-tone telephone to transmit your voting instructions **until** 11:59 p.m. Eastern Time on March 15, 2016. Have your proxy card available when you call the phone number above and then follow the instructions.

Beneficial Owners: Shares Registered in the Name of a Broker or Bank. If on February 4, 2016, your shares were held in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in "street name," and these proxy materials are being forwarded to you by that organization. If you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from the Bank. Simply complete and mail the proxy card to ensure that your vote is counted. Alternatively, you may be able to vote by telephone or over the Internet as instructed by your broker or bank. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy card.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of common stock for which you are the shareholder of record as of February 4, 2016.

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, your shares are registered in more than one name or are registered in different accounts. Please provide a response (by telephone, Internet or mail) for each proxy card you receive to ensure that all of your shares are voted.

What if I return a proxy card but do not make specific choices?

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted: "FOR" the election of the four Class II and one Class III director nominees named herein to serve on the Board; "FOR" the approval of the Amended and Restated Articles of Incorporation; "FOR" the Amendment of the 2007 Stock Option and Equity Plan; and "FOR" the ratification of appointment of the auditors as set forth in the accompanying Notice and further described herein.

If any other matter is properly presented at the meeting, your proxy (one of the individuals named on your proxy card) will vote your shares as recommended by the Board or, if no recommendation is given, will vote your shares using his or her discretion.

Can I change my vote after submitting my proxy card?

Yes. You can revoke your proxy at any time before the final vote at the Annual Meeting. If you are the shareholder of record of your shares, you may revoke your proxy in any one of three ways:

- You may change your vote using the same method that you first used to vote your shares (by telephone, Internet or mail);
- You may send a written notice that you are revoking your proxy to The Freedom Bank of Virginia, 10555 Main Street, Suite 100, Fairfax, Virginia 22030, Attention: Cynthia Carter Atwater, Corporate Secretary; or
- You may attend the Annual Meeting and vote in person. Simply attending the Annual Meeting, however, will not, by itself, revoke your proxy.

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

How are votes counted?

Votes will be counted by the inspector of election appointed for the Annual Meeting, who will separately count "FOR" and "WITHHOLD AUTHORITY" votes for Proposal One, and with respect to Proposal Two, Proposal Three and Proposal Four, "FOR," "AGAINST" and "ABSTAIN." A broker non-vote occurs when a nominee, such as a brokerage firm, bank, dealer or other similar organization, holding shares for a beneficial owner, does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that proposal and has not received instructions with respect to that proposal from the beneficial owner. In the event that a broker, bank, custodian, nominee or other record holder of our common stock indicates on a proxy that it does not have discretionary authority to

vote certain shares on a particular proposal, then those shares will be treated as broker non-votes with respect to that proposal. **Accordingly, if you own shares through a nominee, such as a brokerage firm, bank, dealer or other similar organization, please be sure to instruct your nominee how to vote to ensure that your vote is counted on each of the proposals.**

If your shares are held by your broker as your nominee (that is, in "street name"), you will need to obtain a proxy form from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker to vote your shares. Abstentions will be treated as shares present for the purpose of determining the presence of a quorum for the transaction of business at the Annual Meeting.

How many shares must be present to constitute a quorum for the Annual Meeting?

A quorum of shareholders is necessary to hold a valid meeting. A quorum will be present if at least a majority of the outstanding shares entitled to vote are represented by shareholders present at the Annual Meeting or by proxy. On February 4, 2016, the record date, there were 5,455,820 shares outstanding and entitled to vote. Thus, at least 2,727,911 shares must be represented by shareholders present at the Annual Meeting or by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy by mail, Internet or telephone (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the Annual Meeting. Abstentions and broker non-votes will be counted towards the quorum requirement.

If a quorum is not present at the Annual Meeting, or if a quorum is present but there are not enough votes to approve one or more of the proposals, the person named as chairman of the Annual Meeting may adjourn the meeting to permit further solicitation of proxies. A shareholder vote may be taken on one or more of the proposals in this proxy statement prior to any such adjournment if there are sufficient votes for approval on such proposal(s).

How many votes are needed to approve each proposal?

- For Proposal One, the nominees receiving a plurality of "FOR" votes, among votes properly cast in person or by proxy, will be elected. If you vote "WITHHOLD AUTHORITY" with respect to a nominee, your shares will not be included in determining the number of votes cast and, as a result, will have no effect on this proposal.

- Each of Proposal Two, Proposal Three and Proposal Four must receive "FOR" votes from a majority of all votes cast at the Annual Meeting, whether in person or by proxy. For purposes of the vote on each of these proposals, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered as being present for the purpose of determining the presence of a quorum.

How can I find out the results of the voting at the Annual Meeting?

The results of the voting will be read at the Annual Meeting and included in the minutes. Shareholders not attending the meeting may contact Craig Underhill c/o The Freedom Bank of Virginia, 10555 Main Street, Suite 100, Fairfax, Virginia 22030, telephone (703) 667-4161, or email: cunderhill@freedombankva.com for the results.

Who is paying for this proxy solicitation?

The cost of solicitation of proxies will be borne by the Bank. Solicitation will be made only by the use of mail, and if necessary, may be made in person or by telephone by officers and employees of the Bank. We anticipate that brokerage houses and other nominees, custodians, and fiduciaries will be requested to forward the proxy solicitation material to the beneficial owners of the stock held of record by such persons, and the Bank will reimburse them for their charges and expenses in this connection.

Whom should I contact if I have any questions?

If you have any questions about the Annual Meeting, these proxy materials or your ownership of our common stock, please contact Sherry Whipple c/o The Freedom Bank of Virginia, 10555 Main Street, Suite 100, Fairfax, Virginia 22030, telephone (703) 667-4115, or email: swhipple@freedombankva.com.

PROPOSAL ONE
ELECTION OF DIRECTORS

The By-Laws of the Bank provide that the business and affairs of the Bank shall be managed and controlled by a Board of Directors having no fewer than five (5) and no more than twenty (20) members. By resolution of the Board, dated January 27, 2016, the size of the Board was increased from ten (10) directors to eleven (11) directors.

The Bank's Articles of Incorporation provide that the terms of office of the directors shall be staggered by dividing them into three Classes with each Class consisting of one-third of the total, as near as may be. The current directors, the Class to which they were elected and the expiration date of their terms are set forth below. If elected at our annual meeting, the term of the four Class II director nominees will expire at our annual meeting in 2019, and the term of the Class III director nominee will expire at our annual meeting in 2018.

Name	Class	Expiration of Term
Nominees for Director		
David C. Karlgaard, Ph.D.	Class II	Annual Meeting in 2016
Richard C. Litman	Class II	Annual Meeting in 2016
John T. Rohrback	Class II	Annual Meeting in 2016
Craig S. Underhill	Class II	Annual Meeting in 2016
Robert D. Falese, Jr.	Class III	Annual Meeting in 2016*
Continuing Directors		
Cynthia Carter Atwater	Class I	Annual Meeting in 2017
H. Jason Gold	Class I	Annual Meeting in 2017
Alvin E. Nashman, Ph.D.	Class I	Annual Meeting in 2017
G. Thomas Collins, Jr.	Class III	Annual Meeting in 2018
Terry L. Collins, Ph.D.	Class III	Annual Meeting in 2018
Norman P. Horn	Class III	Annual Meeting in 2018

* Mr. Falese was appointed as a director by the Board in connection with the Private Placement described in "*Proposal Two—The Private Placement and Background to Proposal Two*." Although he is designated as a Class III director, as a director appointed by the Board to fill a vacancy, Mr. Falese is required to be presented for election at the 2016 Annual Meeting.

Nominees for Director

David C. Karlgaard, Ph.D. (Class II)

Director

David C. Karlgaard, Ph.D. (69) has served as a director of the Bank since February 2007. Dr. Karlgaard was a founding director of James Monroe Bank where he served as a director from 1997 to 2006 when it was acquired by Mercantile Bancshares. Dr. Karlgaard was co-founder of PEC Solutions, Inc. and served as the company's Chairman of the Board and Chief Executive Officer until it was acquired by Nortel Government Solutions in 2005. Dr. Karlgaard retired from Nortel in 2007.

Richard C. Litman (Class II)

Chairman

Richard C. Litman (59) has served as Chairman of the Board since February 2007. Mr. Litman was a director of the Bank of Northern Virginia from 1995 to 1996, and a founding director of James Monroe Bank where he served as a director from 1997 to 2006. Both banks were acquired. Mr. Litman holds a Juris Doctor degree, cum laude, and two advanced law degrees, including one in Forensic Science and the other, a LL.M. in Patent & Trade Regulation Law from The National Law Center of George Washington University, obtained during a post-graduate fellowship awarded by the Food and Drug Law Institute. Mr. Litman has practiced law in the region for 34 years. In 1983, he formed Litman Law Offices, Ltd, a Northern Virginia law firm handling matters involving Intellectual Property and Technology Law. It was acquired in 2013 by Becker & Poliakoff, PA.

John T. Rohrback (Class II)

Vice Chairman

John T. Rohrback (70) has served as a director of the Bank since August 2004 and Vice Chairman since August 2013. He served as Chief Executive Officer of the Bank from 2004 to 2011. He was hired in 2001 as Executive Vice President and Senior Lending Officer. Mr. Rohrback was President and Chief Executive Officer, as well as a director of Heritage Bank from 1996 until 1999. Prior to this, Mr. Rohrback was Executive Vice President as well as a director of Hallmark Bank and Trust until its acquisition by F & M National Corporation in 1996. Mr. Rohrback began his banking career in 1965 at Signet Banking Corporation, serving in various positions including Senior Vice President and Director of Signet Bank, N.A.

Craig S. Underhill (Class II)

President and Chief Executive Officer

Craig S. Underhill (56) has served as director, President and Chief Executive Officer of the Bank since August 2011; prior to that date, he served as President and Chief Operating Officer from September 2010 to August 2011. He was hired in March 2007 as Executive Vice President and Chief Lending Officer. Prior to joining the Bank, Mr. Underhill was Chief Lending Officer with Potomac Bank of Virginia. Mr. Underhill has more than 30 years of commercial banking experience in northern Virginia and a background in most types of commercial lending with a specialty in financing government contractors.

Robert D. Falese, Jr. (Class III)

Director

Robert D. Falese, Jr. (68), who was appointed to the Board in January 2016, is a Consultant to Patriot Financial Partners, L.P. Mr. Falese has more than 40 years' experience in banking. Prior to joining Patriot, Mr. Falese served as Chairman for Commercial Banking for TD Bank, N.A. from 2007 to 2009; as President and CEO for Commerce Bank, N.A. (predecessor to TD Bank, N.A.) and as Executive Vice President and Chief Lending Officer of Commerce Bank, N.A. from 1992 to 2007. Prior to 1992, Mr. Falese held various Senior Management positions at Fidelity Bank, N.A. and First Pennsylvania Bank, dating back to 1969.

Recommendation of the Board

The Board of Directors unanimously recommends that shareholders vote "FOR" the election of each of the above nominees for Director.

Incumbent Directors Serving on the Board - Terms Expiring in 2017 (Class I)

Cynthia Carter Atwater

Director
Cynthia Carter Atwater (59) has served as a director of the Bank since 2003 and is the Corporate Secretary. Ms. Atwater is a Principal of Digital Benefit Advisors, Reston, Virginia and was formerly President and Chief Executive Officer of CCA Consulting, Inc. Ms. Atwater served on the Advisory Board of the Bank as both Chairman and Vice Chairman until 2003.

H. Jason Gold

Director
H. Jason Gold (60) has served as a director of the Bank since May 2003. Mr. Gold is a partner in Nelson Mullins Riley & Scarborough LLP's Washington D.C. office where he focuses his practice on bankruptcy, financial restructuring, and liquidations. He has served as a bankruptcy trustee for more than 25 years and has more than 30 years of experience in complex restructuring and insolvency matters in various industries. He also serves as a bankruptcy examiner and federal and state appointed receiver. Mr. Gold served as a partner with the Firm of Wiley Rein LLP, McLean, Virginia from 2002 until 2014, and as President of the Firm of Gold Morrison & Laughlin, P.C. from 1985 until 2002.

Alvin E. Nashman, Ph.D.

Director
Alvin E. Nashman, Ph.D. (89) has served as a director of the Bank since February 2007. Dr. Nashman was a founding director of James Monroe Bank. He served as director from 1997 to 2006 when it was acquired by Mercantile Bancshares. Dr. Nashman was Head of the Systems Group, Computer Sciences Corporation, from 1965 until his retirement in 1992.

Incumbent Directors Serving on the Board - Terms Expiring in 2018 (Class III)

G. Thomas Collins, Jr.

Director
G. Thomas Collins, Jr. (70) has served as a director of the Bank since 1999. Mr. Collins is a founding and organizing director of the Bank. He has been a Certified Public Accountant since 1971 and was a former Partner at Goodman & Company, LLC, McLean, Virginia. Prior to that, Mr. Collins served as President of the accounting firm of Collins, Forbes & Company.

Terry L. Collins, Ph.D.

Director
Terry L. Collins, Ph.D. (70) has served as a director of the Bank since February 2007. Dr. Collins was a founding director of James Monroe Bank, where he served as a director from 1998 to 2006 when it was acquired by Mercantile Bancshares. Dr. Collins is the former Chairman of the Board, CEO, and President of Argon ST, and was one of three founders of Argon Engineering Associates, Inc. (Argon Engineering). Dr. Collins served as Chairman of the Board and Chief Executive Officer of Argon Engineering from its inception in 1997 until its merger with SenSy Tech in 2004. From 1995 until 1997, Dr. Collins was the general manager of the Falls Church Division of Raytheon E-Systems. From 1989 until 1995, Dr. Collins was the President of Engineering Research Associates, a wholly owned subsidiary of E-Systems Corporation. Dr. Collins served as the senior member of the engineering management team at Engineering Research Associates from 1979 until its acquisition by E-Systems Corporation in 1989.

Norman P. Horn

Director

Norman P. Horn (84) has served as a director of the Bank since February 2007. Mr. Horn was a founding director of James Monroe Bank where he served as a director from 1997 to 2006, when it was acquired by Mercantile Bancshares. Mr. Horn was a founding director of Bank of the Potomac, where he served as a director from 1988 until it was sold in 1995. Mr. Horn was a Principal in the accounting firm Homes, Lowry, Horn & Johnson, Ltd. until 1997.

CORPORATE GOVERNANCE

Board and Committee Meetings

The Board generally meets on a monthly basis, holding additional special meetings as needed. During fiscal year 2015, the Board held 13 meetings. Each director attended in person or via telephone at least 75% of the meetings of the Board and each Committee on which they served. The Bank has not adopted a formal policy on Board members' attendance at its Annual Meeting of Shareholders, although all directors are encouraged to attend. All ten directors then in office attended the Bank's 2015 Annual Meeting of Shareholders.

The Board has six standing committees: the Audit Committee; Compensation & Benefits Committee; Corporate Governance (Nomination/Proxy) Committee; Directors Loan Committee; Strategic Planning Committee; and FBV Capital Advisors Advisory Committee. Additional operational committees are composed of Board members and officers of the Bank.

Audit Committee
Members: Committee Chair, G. Thomas Collins, Jr. and Messrs. Horn, Litman and Karlgaard. The Audit Committee reviews internal audit functions and is responsible for adequate audit procedures to ensure and protect against improper and unsound practices, for the protection of all assets and records of the Bank. The Board approved the Audit Committee selection of a certified public accounting firm to perform an independent annual audit of the books and records of the Bank and its subsidiary. The results of the audit performed by the independent certified public accounting firm, as well as results of all examinations performed were presented to the Audit Committee and the Board. During the period from January 1, 2015 to December 31, 2015, the Audit Committee held four meetings.

Compensation & Benefits Committee
Members: Committee Chair, Cynthia Carter Atwater, Messrs. Gold, Horn, Litman, Nashman and Rohrback. The Committee provides overall guidance to the Board, recommends the level of compensation of each executive officer and officers of the Bank to the Board and makes recommendations for the remuneration and benefits of the employees of the Bank. During the period from January 1, 2015 to December 31, 2015, the Compensation & Benefits Committee met three times.

Corporate Governance (Nomination/Proxy) Committee
Members: Committee Chair, Terry L. Collins, Messrs. Gold, Horn, Karlgaard, Litman, Rohrback and Underhill. The Committee is responsible for, among other things, evaluating the efforts of the Bank to maintain effective corporate governance practices and conducting the search for, evaluation of, and proposing to the Board, qualified, competent, and worthy candidates, from which the Board makes its selections for either the Board or the Advisory Board.

Qualification for consideration as a director nominee may vary according to the particular areas of expertise being sought as a complement to the existing Board composition. The committee may, at its discretion, consider candidates proposed by shareholders of the Bank. Such recommendations must include financial and biographical information, and an indication of the consent of the proposed nominee to serve. During the period from January 1, 2015 to December 31, 2015, the Corporate Governance (Nomination/Proxy) Committee held three meetings.

Directors Loan Committee

Members: Committee Chair, Richard C. Litman and Messrs. Horn, Nashman, Rohrback and Underhill. The Directors Loan Committee generally meets weekly and reviews loan requests within the Committee's authority. During the period from January 1, 2015 to December 31, 2015, the Directors Loan Committee met 45 times.

Strategic Planning Committee

Members: Committee Chair, H. Jason Gold and Ms. Atwater, Messrs. Litman, Nashman, Rohrback and Underhill. The Strategic Planning Committee met two times during 2015.

FBV Capital Advisors Advisory Committee

Members: Committee Chair, Craig S. Underhill and Messrs. Terry Collins, Karlgaard, Litman and Nashman. The Advisory Committee was formed in 2013 and met 10 times during 2015.

REPORT OF THE COMPENSATION & BENEFITS COMMITTEE

The Compensation & Benefits Committee of the Bank is responsible for recommending the level of compensation of each executive officer of the Bank to the Board. The President & CEO does not participate in any Board or Compensation & Benefits Committee discussions related to his compensation and does not vote on his compensation. He does recommend salary levels for the Bank's other executive officers. The Board makes the ultimate determination of the compensation for these individuals.

The Committee uses salary information from the Virginia Bankers Association's salary and benefits surveys as well as publicly available information from local banks in determining the compensation and benefits for employees.

THE MEMBERS OF THE COMPENSATION & BENEFITS COMMITTEE

Cynthia Carter Atwater, Chair
H. Jason Gold
Norman P. Horn
Richard C. Litman
Alvin E. Nashman
John T. Rohrback

EXECUTIVE OFFICERS

Set forth below is information with respect to the current executive officers of the Bank and their relevant business experience:

Craig S. Underhill
President and Chief Executive Officer
See "Proposal One: Election of Directors" for information about Mr. Underhill, who is a director nominee (Class II).

C. Kevin Curtis
Executive Vice President, Chief Lending Officer
Kevin Curtis (54) has served as Executive Vice President, Chief Lending Officer since March 2013; prior to that date, he served as Executive Vice President, Corporate Banking since joining the Bank in October 2012. Before joining the Bank, Mr. Curtis served as the Virginia President for WashingtonFirst Bank. Mr. Curtis has over 20 years of experience in commercial banking in northern Virginia.

Karin M. Johns
Executive Vice President, Chief Accounting Officer
Karin M. Johns (63) has served as Executive Vice President, Chief Financial Officer since 2003. Ms. Johns was hired as Senior Vice President and Cashier in July 2001. Ms. Johns is responsible for day-to-day financial management of the Bank, its investment portfolio, and oversees IT operations. Ms. Johns has more than 35 years of experience in community banking and regional banking.

Sally T. Siveroni
Executive Vice President, Chief Credit Officer
Sally T. Siveroni (50) has served as Senior Vice President, Chief Credit Officer since July 2014; prior to that date, she served as Vice President and Portfolio Manager since December 2008, underwriting credit for the Bank. Mrs. Siveroni has more than 20 years of commercial banking experience, having served as Commercial Account Manager in both the Middle-Market and Professional Practices sectors, Special Assets Officer, Loan Review Officer and Credit Analyst. Beyond banking, Mrs. Siveroni served as Vice President for Finance, Development and Administration for a Washington, DC-based energy consulting firm.

Daniel E. Burnett, CPA – CGMA
Executive Vice President, Chief Financial Officer
Dan Burnett (54) joined the Bank in 2015 and became a member of the Bank's Senior Management team in December of that same year. During the past eight years prior to joining the Bank, Mr. Burnett operated his own professional consulting business, specializing in offering audit, accounting, and compliance services to both the financial institution and not-for-profit industries. Mr. Burnett is a graduate of LeMoyne College, a licensed CPA in the states of Virginia and New York and, has more than twenty-five years of experience working with financial institutions.

Richard A. Hutchison
Executive Vice President, Chief Mortgage Officer
Rick Hutchison (59) is a member of the bank's senior management team. Mr. Hutchison was previously with Virginia Heritage Bank as a Senior Executive Officer and the Chief Mortgage Officer responsible for all mortgage loan production and first trust mortgage origination. He has over thirty-five years of banking experience in core bank and mortgage operations and over fifteen years of experience in running and building successful mortgage production platforms.

Employment Agreements and Potential Payments upon Termination or Change-in-Control

In August 2010, the Bank entered into an employment agreement with the Bank's current President and Chief Executive Officer, Craig S. Underhill. The agreement provides for a base salary, a performance bonus, annual adjustments to compensation, severance benefits and other benefits. The agreement had an initial term of 17 months and will be automatically renewed for successive 12 month terms until employment is terminated under specific conditions as provided in the agreement. Mr. Underhill is subject to termination as a director in the event he is no longer Chief Executive Officer.

In January 2007, the Bank entered into an employment agreement with the Bank's current Senior Vice President and Senior Loan Administration Officer, Kimberly J. Ryman. The agreement provides for base salary, performance bonuses, severance benefits and other benefits. The agreement had an initial term of one year and will be automatically renewed for successive twelve (12) month terms until employment is terminated under specific conditions provided in the agreement.

In September 2014, the Bank entered into an employment agreement with the Bank's current Executive Vice President & Chief Lending Officer, C. Kevin Curtis. The agreement provides for base salary, performance bonuses, severance benefits and other benefits. The agreement provides for payment of an amount equal to three times his base salary in the event of certain change of control events, had an initial term of 24 months and will be automatically renewed for successive twelve (12) month terms until employment is terminated under specific conditions as provided in the agreement.

In February 2015, the Bank entered into an employment agreement with the Bank's current Senior Vice President and Mortgage Loan Officer, Richard Hutchison. The agreement provides for a severance payment in the event of termination subsequent to certain change of control events, had an initial term of 10 months and will be automatically renewed for successive twelve (12) month terms until employment is terminated under specific conditions as provided in the agreement. The agreement will expire according to its terms after the date of certain change of control events, with no renewal thereafter.

Retirement Benefits

The Bank has a voluntary, contributory 401(k) plan that allows eligible employees to contribute a fixed percentage of their compensation. The Board approved a discretionary profit sharing contribution of 3% of the Bank's profit to be made for the year ending December 31, 2015.

Stock Option and Equity Plan

Officers, directors, employees and independent contractors of the Bank and related entities may be eligible for grants of stock options or restricted stock. See "*Proposal Three*" for more information about the Stock Option and Equity Plan.

INTEREST OF MANAGEMENT IN CERTAIN TRANSACTIONS

There are no existing or proposed transactions between the Bank and its directors and executive officers other than those contemplated in the ordinary course of banking business and disclosed herein.

At no time during the period from January 1, 2015 to December 31, 2015, did extensions of credit to directors, officers, employees, or their associates exceed, in the aggregate, 17% of the equity capital of the Bank.

From January 1, 2015 to December 31, 2015, the maximum outstanding credit extended to the directors and policy-making officers (and their associates) as a group was $3,730,894.89, which represented 16% of the Bank's equity capital. The outstanding indebtedness under such loans on December 31, 2015 was $2,431,315.67, which represented 8% of the Bank's equity capital. The credit extensions are either secured or unsecured and include direct loans to makers and indirect extensions as endorsers.

RELATIONSHIP WITH INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board appointed Thompson Greenspon of Fairfax, Virginia as the independent registered public accounting firm to render audit services to the Bank for the year ending December 31, 2015. These services consisted primarily of the examination and audit of the Bank's financial statements, tax reporting assistance and other auditing and accounting matters.

The following table presents the fees for professional audit services rendered by Thompson Greenspon for the audit of the Bank's financial statements for years ended December 31, 2015 and 2014, and fees billed for other services rendered by Thompson Greenspon.

	Year Ended December 31, 2015	Year Ended December 31, 2014
Audit fees(1)	$62,506	$43,821
Audit related fees	15,290	15,290
Tax Fees(2)	4,744	11,141
All other Fees(3)	2,093	4,657
Total	$84,633	$74,909

(1) Audit fees consist of fees incurred in connection with the audit of our annual financial statements and the review of the interim financial statements included in our quarterly reports filed with the Federal Reserve Board.

(2) Tax fees consist of fees incurred in connection with tax compliance, tax advice and tax planning services.

(3) All other fees relate to a variety of different accounting issues.

All of the above services were pre-approved by the Bank's Audit Committee. The Audit Committee considers the provision of all of the above services to be compatible with maintaining the independence of the Bank's independent registered public accounting firm, Thompson Greenspon.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee assists the Board in overseeing and monitoring the integrity of the Bank's financial reporting process, its compliance with legal and regulatory requirements and the quality of its internal and external audit processes.

Management is responsible for the preparation, presentation and integrity of the Bank's financial statements, accounting and financial reporting principles, internal controls and procedures designed to ensure compliance with accounting standards, applicable laws and regulations. The Audit Committee serves a board-level oversight role. Drawing upon its members' experience in business, financial and accounting matters, it provides advice, counsel and direction to management and the auditors.

In fulfilling its oversight responsibilities for the fiscal year 2015 financial statements:

- the Audit Committee reviewed and discussed the audited financial statements for the fiscal year ended December 31, 2015 with management and Thompson Greenspon, the Bank's independent accountants;

- the Audit Committee discussed with Thompson Greenspon the matters required to be discussed by Statement on Auditing Standards No. 114 relating to the auditors' communication with those charged with governance and Statement on Auditing Standards No. 115 relating to communicating internal control related matters identified in an audit, as necessary; and

- the Audit Committee discussed with Thompson Greenspon its independence.

The Audit Committee also considered taxation matters and other areas of oversight relating to the financial reporting and audit and tracking process.

THE MEMBERS OF THE AUDIT COMMITTEE
G. Thomas Collins, Chair
Norman P. Horn
David C. Karlgaard

PROPOSAL TWO
APPROVAL OF THE AMENDED AND RESTATED ARTICLES OF INCORPORATION

The Private Placement and Background to Proposal Two

On December 28, 2015, we entered into definitive agreements with four institutional investors for the purchase of an aggregate of $16.0 million of our common stock (the "Private Placement"). Funds affiliated with Patriot Financial Partners GP II, LLC (collectively, "Patriot"), agreed to purchase $10.0 million of our common stock; funds affiliated with The Banc Funds Company, L.L.C. agreed to purchase $2.0 million of our common stock; a fund affiliated with Commerce Street Holdings, LLC and Keefe Ventures, LLC agreed to purchase $2.0 million of our common stock; and a fund affiliated with Emerald Advisers, Inc. agreed to purchase $2.0 million of our common stock.

On December 29, 2015, we completed the first of two planned closings for the Private Placement, raising $10.0 million dollars. The second closing will involve selling the remaining $6.0 million of common stock to Patriot. Patriot will receive Class B non-voting common stock in connection with the $6.0 million second closing of the Private Placement, to the extent their ownership exceeds 9.9% of our outstanding voting common stock upon the second closing. In order to authorize us to issue the Class B non-voting stock and to make other changes to our articles of incorporation, in connection with the Private Placement and as a condition to the second closing, we have agreed to amend and restate our articles of incorporation as set forth on Appendix A hereto (the "Amended and Restated Articles of Incorporation"). The second closing is expected to occur as soon as practicable following receipt of shareholder approval of the Amended and Restated Articles of Incorporation.

Certain Terms and Conditions of the Private Placement

Changes to the Board of Directors. As an inducement for Patriot to invest in the Private Placement, we agreed to appoint to our Board a director nominated by Patriot. Robert D. Falese, Jr., who was appointed to the Board on January 27, 2016, and has been nominated for election at the 2016 Annual Meeting, is Patriot's director nominee. See Proposal One—Election of Directors.

Registration Rights. In connection with the Private Placement, we granted demand registration rights to Patriot under which we will be obligated to register Patriot's shares under certain circumstances if we reorganize into a bank holding company structure. We also granted certain piggy-back registration rights to Patriot and the other investors in the Private Placement under which we will be obligated to register the shares purchased by the investors in certain circumstances.

Voting Agreements. In connection with the Private Placement, each investor in the Private Placement agreed to vote in favor of the proposal to approve the Amended and Restated Articles of Incorporation.

The Amended and Restated Articles of Incorporation

On January 27, 2016, the Board unanimously approved, subject to shareholder approval, the Amended and Restated Articles of Incorporation, which provides for, among other things:

1. An increase in the number of our authorized shares of common stock from 15,000,000 to 25,000,000; the reclassification of our common stock into two classes: (i) Class A voting common stock, par value $0.01 per share, and (ii) Class B non-voting common stock, par value

$0.01 per share; and granting the Board the power to classify or reclassify unissued shares of common or preferred stock;

2. Authorization of 5,000,000 shares of preferred stock, par value $0.01 per share, with the preferences, limitations and relative rights as determined by the Board from time to time;
3. A reduction of the quorum requirement for a meeting of shareholders to 1/3 of the votes entitled to be cast;
4. The addition of a provision from our bylaws providing that vacancies on the Board may be filled by a majority vote of the directors then in office;
5. An increase in the number of shareholder votes necessary to remove a director from a majority to 2/3 of the votes entitled to be cast in an election of directors;
6. That an amendment to the Articles of Incorporation or approval of a merger or sale of the Bank will require (i) a shareholder vote of a majority of the votes entitled to be cast if at least 2/3 of continuing directors (as defined in the Articles of Incorporation) approve the amendment or transaction, or (ii) a shareholder vote of 2/3 of the votes entitled to be cast thereon, if at least 2/3 of continuing directors do not approve the amendment or transaction;
7. Action by shareholders by less-than-unanimous written consent, if such action is first approved by the Board;
8. An update to our indemnification obligations to our directors and officers and related people; and
9. The addition of a provision from our bylaws stating that amendments to provisions of the bylaws adopted by the shareholders may be made by the Board unless the bylaws state otherwise, and provisions of the bylaws adopted by the Board may be amended by the Board or by shareholders.

Certain of the proposed amendments to our Articles of Incorporation could make it difficult for a third-party to acquire control of us, and may delay, deter or prevent a takeover or a change in control that might otherwise be in the best interests of our shareholders.

Vote Required

The affirmative vote of a majority of the votes cast is required to approve the Amended and Restated Articles of Incorporation. Accordingly, any abstention or broker non-vote will count as a vote against the proposal.

If this proposal is adopted, our current articles of incorporation would be amended and restated as set forth on Appendix A. The Bank intends to file the Amended and Restated Articles of Incorporation as soon as practicable after the approval of this proposal by the shareholders, although the Board reserves the right to delay or abandon the amendment at its discretion. The second closing is conditioned upon receipt of shareholder approval of this proposal.

Description of the Amendments to our Articles of Incorporation

The following is a description of certain of the amendments to our articles of incorporation. The description is intended as a summary only and is qualified in its entirety by reference to the Amended and Restated Articles of Incorporation attached to this Proxy Statement as Appendix A.

1. *Increase in authorized shares and reclassification of our common stock*

In connection with the Private Placement and to allow for future growth of the Bank, the Amended and Restated Articles of Incorporation provide for an increase in the number of our authorized shares of common stock from 15,000,000 to 25,000,000.

In addition, because banking laws and regulations restrict the amount of voting common stock a single investor or group of affiliated investors can hold, we are creating a new class of common stock, Class B non-voting common stock. The rights, preferences and privileges of our Class A voting common stock and Class B non-voting common stock will be identical, except that holders of the Class B non-voting common stock will have no voting power, and will not have the right to participate in any meetings of shareholders, except as required by applicable law. The Class B non-voting common stock may be converted into Class A voting common stock at the option of the holder only if properly transferred, in compliance with guidance and policies established by the Board of Governors of the Federal Reserve System, and the holder would not exceed 10% of the Class A voting common stock outstanding at that time.

The Class A voting common stock will have a par value of $0.01 per share and the Class B non-voting common stock will have a par value of $0.01 per share.

2. *Authorization of 5,000,000 shares of preferred stock*

In order to facilitate future growth and provide the Bank flexibility to expand and raise capital in the future, the Amended and Restated Articles of Incorporation authorize the issuance of up to 5,000,000 shares of preferred stock. The preferred stock will be "blank check" preferred, which means that the preferences, limitations and relative rights will be determined by the Board from time to time. We do not currently contemplate issuing preferred stock now or in the immediate future.

3. *Reduction of quorum requirement for a meeting of shareholders to 1/3 of the votes entitled to be cast*

Our bylaws currently provide that a quorum at any meeting of shareholders will be established if at least a majority of shares entitled to vote are represented in person or by proxy. In order to facilitate participation of our shareholders, the Amended and Restated Articles of Incorporation will reduce the quorum requirement for meetings of shareholders to 1/3 of outstanding shares entitled to vote, represented in person or by proxy.

4. *Adding a provision from our bylaws providing that vacancies in the Board may be filled by a majority vote of the directors*

The Amended and Restated Articles of Incorporation will add a provision from our current bylaws providing that vacancies of the Board may be filled by a majority vote of the directors. Moving a provision from our bylaws into our articles of incorporation has the effect of making it more difficult to change the provision.

5. *Increasing the number of shareholder votes necessary to remove a director from a majority of shareholders to a vote of at least 2/3 of shareholders*

The Amended and Restated Articles of Incorporation will include a provision from our current bylaws that states that a director may be removed with or without cause only by the affirmative vote of holders of at least 2/3 of the shares entitled to vote in the election of directors at a duly constituted shareholder meeting. Moving a provision from our bylaws into our articles of incorporation has the effect of making it more difficult to change the provision.

6. *Providing that an amendment to the articles of incorporation or approval of a merger or sale of the Bank will require (i) a shareholder vote of a majority of the votes entitled to be cast if at least 2/3 of continuing directors approve the amendment or transaction, or (ii) a shareholder vote of 2/3 of the votes entitled to be cast thereon, if at least 2/3 of continuing directors do not approve the amendment or transaction*

Virginia law provides that unless otherwise set forth in a company's articles of incorporation, amendments to the articles of incorporation and approvals of a merger or sale of all or substantially all of the company's assets must be approved by 2/3 of the votes entitled to be cast after being recommended by the board of directors. Our Amended and Restated Articles of Incorporation provide that any amendment to the articles of incorporation and any merger or sale of all or substantially all of our assets will require a vote of a majority of the shares eligible to vote thereon if such amendment or transaction is first approved by 2/3 of "continuing directors" and must be approved by at least 2/3 of the shares eligible to vote thereon if 2/3 of "continuing directors" do not first approve such amendment or transaction.

For the purposes of the Amended and Restated Articles of Incorporation, "continuing director" means (i) any person who was a member of the Board as of December 22, 2015, (ii) any individual who has been elected to the Board at an annual meeting of the shareholders more than one time or (iii) any individual who was elected to fill a vacancy on the Board and received the affirmative vote of a majority of the "continuing directors" then on the Board and thereafter elected to the Board at an annual meeting of the shareholders at least one time.

7. *Providing for action by shareholders by less-than-unanimous written consent, if such action is first approved by the Board*

Currently, our shareholders are permitted to act by written consent only if unanimous. The Amended and Restated Articles of Incorporation provide that shareholders may act by less-than-unanimous written consent in accordance with Virginia law if such action is first approved by the Board and then submitted to the shareholders for their written consent.

8. *Updating our indemnification obligations to our directors and officers and related people*

Our Articles of Incorporation currently provide that we will indemnify our officers, directors and certain related people to the fullest extent permitted by Virginia law. It also provides that we will advance and reimburse expenses related to indemnified actions, to the fullest extent permitted by Virginia law. Our Amended and Restated Articles of Incorporation amend the indemnification provision to provide additional parameters and details concerning such indemnification.

9. *Adding a provision from our bylaws stating that amendments to provisions of the bylaws adopted by the shareholders may be made by the Board unless the bylaws state otherwise, and provisions of the bylaws adopted by the Board may be amended by the Board or by shareholders*

The Amended and Restated Articles of Incorporation include a provision from our current bylaws that states that amendments to the bylaws may be made by the Board at its discretion, except so far as the bylaws adopted by shareholders otherwise provide. Any bylaws adopted by the Board may be subsequently amended or repealed by the Board or the shareholders.

Recommendation of the Board

The Board of Directors unanimously recommends that shareholders vote "FOR" Proposal Two, the approval of the Amended and Restated Articles of Incorporation.

PROPOSAL THREE
AMENDMENT TO STOCK INCENTIVE PLAN

Background and Purpose

The Bank's 2007 Stock Option and Equity Plan, as amended (the "Plan"), provides for grants of stock options or restricted stock that may be settled in cash, stock or other property (collectively, "Awards"). The Plan presently provides that 633,600 shares (as adjusted for stock splits) of the Bank's common stock (the "Common Stock") have been allocated to, and will be reserved to satisfy Awards under, the Plan. On January 27, 2016, the Board approved an amendment to the Plan to increase the number of shares allocated to the Plan by 200,000 shares from 633,600 shares to 833,600 shares of Common Stock. As of February 1, 2016, Awards to purchase 581,771 shares were outstanding, and 51,829 shares remain available for future Awards under the Plan, or approximately 8.2% of the shares originally reserved.

Amendment

If the amendment is authorized by the shareholders, Section 4 of the Plan would be amended as follows:

> 4. *Stock Subject to Plan*. Subject to adjustment as provided in Section 9(d) hereof, the total number of shares of Stock reserved and available for delivery in connection with Awards under the Plan shall not exceed 833,600. The Committee or the Board may adopt reasonable counting procedures to ensure appropriate counting, avoid double counting and make adjustments if the number of shares of Stock actually delivered differs from the number of shares previously counted in connection with an Award.

See Appendix B for the full text of the amendment.

Description of the Plan

The following is a description of the material terms of the Plan, as it is proposed to be amended. This description is intended as a summary only and is qualified in its entirety by reference to the text of the Second Amendment to the 2007 Stock Option and Equity Plan which is attached to this Proxy Statement as Appendix B, and the Plan, as previously approved by the Bank's shareholders, which is attached to this Proxy Statement as Appendix C.

Shares Available for Awards. Under the Plan, as amended, the total number of shares of Common Stock that may be subject to the granting of Awards under the Plan at any time during the term of the Plan shall be equal to 833,600 shares.

The Committee (as defined below) is authorized to adjust the limitation described in the preceding paragraph and is authorized to adjust outstanding Awards (including adjustments to exercise prices of options and other affected terms of Awards) in the event that a dividend or other distribution (whether in cash, shares of Common Stock or other property), recapitalization, forward or reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, share exchange or other similar corporate transaction or event affects the Common Stock so that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of participants. The Committee is also authorized to adjust performance conditions and other terms of Awards in response to these kinds of events or in response to changes in applicable laws, regulations or accounting principles.

Eligibility. The persons eligible to receive Awards under the Plan are the officers, directors, employees and independent contractors of the Bank and related entities. An employee on leave of absence may be considered as still in the employ of the Bank or a related entity for purposes of eligibility for participation in the Plan. As of February 4, 2016, approximately 30 persons were eligible to participate in the Plan.

Administration. The Plan is administered by a committee designated by the Board (the "Committee"). However, the Board may exercise any power or authority granted to the Committee. The Compensation & Benefits Committee of the Board has been appointed as the Committee for the Plan. Subject to the terms of the Plan, the Committee or the Board is authorized to select eligible persons to receive Awards, determine the type and number of Awards to be granted and the number of shares of Common Stock to which Awards will relate, specify times at which Awards will be exercisable or settleable (including performance conditions that may be required as a condition thereof), set other terms and conditions of Awards, prescribe forms of Award agreements, interpret and specify rules and regulations relating to the Plan, and make all other determinations that may be necessary or advisable for the administration of the Plan.

Stock Options. The Committee or the Board is authorized to grant stock options, including both incentive stock options ("ISOs"), which can result in potentially favorable tax treatment to the participant, and non-qualified stock options. The exercise price per share subject to an option is determined by the Committee, but in the case of an ISO must not be less than the fair market value of a share of Common Stock on the date of grant. For purposes of the Plan, the term "fair market value" means the fair market value of Common Stock, Awards or other property as determined by the Committee or the Board or under procedures established by the Committee or the Board. The maximum term of each option, the times at which each option will be exercisable, and provisions requiring forfeiture of unexercised options at or following termination of employment generally are fixed by the Committee or the Board, except that no option may have a term exceeding ten years. Options may be exercised by payment of the exercise price in cash, shares that have been held for at least 6 months, outstanding Awards or other property having a fair market value equal to the exercise price, as the Committee or the Board may determine from time to time.

Restricted Stock. The Committee or the Board is authorized to grant restricted stock. Restricted stock is a grant of shares of Common Stock which may not be sold or disposed of, and which may be forfeited in the event of specified terminations of employment, prior to the end of a restricted period specified by the Committee or the Board. A participant granted restricted stock generally has all of the rights of a shareholder of the Bank, unless otherwise determined by the Committee or the Board.

Other Terms of Awards. Awards may be settled in the form of cash, shares of Common Stock, other Awards or other property, in the discretion of the Committee or the Board. The Committee or the Board may require or permit participants to defer the settlement of all or part of an Award in accordance with those terms and conditions that the Committee or the Board may establish, including payment or crediting of interest on deferred amounts. The Committee or the Board is authorized to place cash, shares of Common Stock or other property in trusts or make other arrangements to provide for payment of the Bank's obligations under the Plan. The Committee or the Board may condition any payment relating to an Award on the withholding of taxes and may provide that a portion of any shares of Common Stock or other property to be distributed will be withheld (or previously acquired shares of Common Stock or other property be surrendered by the participant) to satisfy withholding and other tax obligations. Awards granted under the Plan generally may not be pledged or otherwise encumbered and are not transferable except by will or by the laws of descent and distribution, or to a designated beneficiary upon the participant's death, except that the Committee or the Board may, in its discretion, permit transfers for estate planning or other purposes.

Awards under the Plan are generally granted without a requirement that the participant pay consideration in the form of cash or property for the grant (as distinguished from the exercise), except to the extent required by law. The Committee or the Board may, however, grant Awards in exchange for other Awards under the Plan, awards under other Bank plans, or other rights to payment from the Bank, and may grant Awards in addition to and in tandem with these other Awards, rights or other awards.

Participants receiving Awards under the Plan must become a party the Bank's Shareholders' Agreement and the Bank's form of Confidentiality Agreement for employees.

Acceleration of Vesting; Change in Control. Vesting shall occur automatically in the case of a "change in control" of the Bank, as defined in the Plan, in each case based on the number of years of continuous service completed by the participant. For purposes of the Plan, the term "change in control" generally means (a) approval by shareholders of any reorganization, merger or consolidation or other transaction or series of transactions if persons who were shareholders immediately prior to this reorganization, merger or consolidation or other transaction do not, immediately thereafter, own more than 50% of the combined voting power of the reorganized, merged or consolidated Bank's then outstanding, voting securities, or a liquidation or dissolution of the Bank or the sale of all or substantially all of the assets of the Bank (unless the reorganization, merger, consolidation or other corporate transaction, liquidation, dissolution or sale is subsequently abandoned), or (b) the acquisition by any person, entity or "group," within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of more than 50% of either the then outstanding shares of the Bank's capital stock or the combined voting power of the Bank's then outstanding voting securities entitled to vote generally in the election of directors (hereinafter referred to as the ownership of a "Controlling Interest") excluding, for this purpose, any acquisitions by (1) the Bank or a related entity, (2) any person, entity or "group" that as of the date on which the Award is granted owns beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of a Controlling Interest or (3) any employee benefit plan of the Bank or a related entity.

Amendment and Termination. The Board may amend, alter, suspend, discontinue or terminate the Plan or the Committee's authority to grant Awards without further shareholder approval, except shareholder approval must be obtained for any amendment or alteration if this approval is required by law or regulation. Thus, shareholder approval may not necessarily be required for every amendment to the Plan which might increase the cost of the Plan or alter the eligibility of persons to receive Awards. Shareholder approval will not be deemed to be required under laws or regulations (e.g., those relating to ISOs) that condition favorable tax treatment of participants on this approval, although the Board may, in its discretion, seek shareholder approval in any circumstance in which it deems this approval advisable. Unless earlier terminated by the Board, the Plan will terminate at the time no shares of Common Stock remain available for issuance under the Plan and the Bank has no further rights or obligations with respect to outstanding Awards under the Plan.

Federal Income Tax Consequences of Awards. The Plan is not qualified under the provisions of Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and is not subject to any of the provisions of the Employee Retirement Income Security Act of 1974, as amended.

Nonqualified Stock Options. On exercise of a nonqualified stock option granted under the Plan, an optionee will recognize ordinary income equal to the excess, if any, of the fair market value on the date of exercise of the shares of stock acquired on exercise of the option over the exercise price. If the optionee is an employee of the Bank, that income will be subject to the withholding of federal income tax. The optionee's tax basis in those shares will be equal to their fair market value on the date of exercise of the option, and his holding period for those shares will begin on that date.

If an optionee pays for shares of stock on exercise of an option by delivering shares of the Bank's stock, the optionee will not recognize gain or loss on the shares delivered, even if their fair market value at the time of exercise differs from the optionee's tax basis in them. The optionee, however, otherwise will be taxed on the exercise of the option in the manner described above as if he had paid the exercise price in cash. If a separate identifiable stock certificate is issued for that number of shares equal to the number of shares delivered on exercise of the option, the optionee's tax basis in the shares represented by that certificate will be equal to his tax basis in the shares delivered, and his holding period for those shares will include his holding period for the shares delivered. The optionee's tax basis and holding period for the additional shares received on exercise of the option will be the same as if the optionee had exercised the option solely in exchange for cash.

The Bank will be entitled to a deduction for federal income tax purposes equal to the amount of ordinary income taxable to the optionee, provided that amount constitutes an ordinary and necessary business expense for the Bank and is reasonable in amount, and either the employee includes that amount in income or the Bank timely satisfies its reporting requirements with respect to that amount.

Incentive Stock Options. The Plan provides for the grant of stock options that qualify as "incentive stock options" as defined in section 422 of the Code. Under the Code, an optionee generally is not subject to tax upon the grant or exercise of an incentive stock option. In addition, if the optionee holds a share received on exercise of an incentive stock option for at least two years from the date the option was granted and at least one year from the date the option was exercised (the "Required Holding Period"), the difference, if any, between the amount realized on a sale or other taxable disposition of that share and the holder's tax basis in that share will be long-term capital gain or loss.

If, however, an optionee disposes of a share acquired on exercise of an incentive stock option before the end of the Required Holding Period (a "Disqualifying Disposition"), the optionee generally will recognize ordinary income in the year of the Disqualifying Disposition equal to the excess, if any, of the fair market value of the share on the date the incentive stock option was exercised over the exercise price. If, however, the Disqualifying Disposition is a sale or exchange on which a loss, if realized, would be recognized for federal income tax purposes, and if the sales proceeds are less than the fair market value of the share on the date of exercise of the option, the amount of ordinary income recognized by the optionee will not exceed the gain, if any, realized on the sale. If the amount realized on a Disqualifying Disposition exceeds the fair market value of the share on the date of exercise of the option, that excess will be short-term or long-term capital gain, depending on whether the holding period for the share exceeds one year.

An optionee who exercises an incentive stock option by delivering shares of stock acquired previously pursuant to the exercise of an incentive stock option before the expiration of the Required Holding Period for those shares is treated as making a Disqualifying Disposition of those shares. This rule prevents "pyramiding" the exercise of an incentive stock option (that is, exercising an incentive stock option for one share and using that share, and others so acquired, to exercise successive incentive stock options) without the imposition of current income tax.

For purposes of the alternative minimum tax, the amount by which the fair market value of a share of stock acquired on exercise of an incentive stock option exceeds the exercise price of that option generally will be an adjustment included in the optionee's alternative minimum taxable income for the year in which the option is exercised. If, however, there is a Disqualifying Disposition of the share in the year in which the option is exercised, there will be no adjustment with respect to that share. If there is a Disqualifying Disposition in a later year, no income with respect to the Disqualifying Disposition is included in the optionee's alternative minimum taxable income for that year. In computing alternative

minimum taxable income, the tax basis of a share acquired on exercise of an incentive stock option is increased by the amount of the adjustment taken into account with respect to that share for alternative minimum tax purposes in the year the option is exercised.

The Bank is not allowed an income tax deduction with respect to the grant or exercise of an incentive stock option or the disposition of a share acquired on exercise of an incentive stock option after the Required Holding Period. However, if there is a Disqualifying Disposition of a share, the Bank is allowed a deduction in an amount equal to the ordinary income includible in income by the optionee, provided that amount constitutes an ordinary and necessary business expense for the Bank and is reasonable in amount, and either the employee includes that amount in income or the Bank timely satisfies its reporting requirements with respect to that amount.

Stock Awards. Generally, the recipient of a stock award will recognize ordinary compensation income at the time the stock is received equal to the excess, if any, of the fair market value of the stock received over any amount paid by the recipient in exchange for the stock. If, however, the stock is non-vested when it is received under the Plan (e.g., if the employee is required to work for a period of time in order to have the right to sell the stock), the recipient generally will not recognize income until the stock becomes vested, at which time the recipient will recognize ordinary compensation income equal to the excess, if any, of the fair market value of the stock on the date it becomes vested over any amount paid by the recipient in exchange for the stock. A recipient may, however, file an election with the Internal Revenue Service, within thirty (30) days of his or her receipt of the stock award, to recognize ordinary compensation income, as of the date the recipient receives the award, equal to the excess, if any, of the fair market value of the stock on the date the award is granted over any amount paid by the recipient in exchange for the stock.

The recipient's basis for the determination of gain or loss upon the subsequent disposition of shares acquired as stock awards will be the amount paid for the shares plus any ordinary income recognized either when the stock is received or when the stock becomes vested. Upon the disposition of any stock received as a stock award under the Plan, the difference between the sale price and the recipient's basis in the shares will be treated as a capital gain or loss and generally will be characterized as long-term capital gain or loss if the shares have been held for more than one year from the date as of which he or she would be required to recognize any compensation income.

Importance of Consulting Tax Adviser. The information set forth above is a summary only and does not purport to be complete. In addition, the information is based upon current federal income tax rules and therefore is subject to change when those rules change. Moreover, because the tax consequences to any recipient may depend on his particular situation, each recipient should consult his tax adviser as to the federal, state, local and other tax consequences of the grant or exercise of an Award or the disposition of stock acquired as a result of an Award.

Recommendation of the Board

The Board of Directors unanimously recommends that shareholders vote "FOR" Proposal Three, the amendment of the 2007 Stock Option and Equity Plan.

PROPOSAL FOUR
RATIFICATION OF APPOINTMENT OF AUDITORS

The Audit Committee of the Bank has appointed Thompson Greenspon of Fairfax, Virginia, as the independent registered public accounting firm to perform the audit of the Bank's financial statements for the year ending December 31, 2016. Upon the recommendation of the Audit Committee, the Board has selected Thompson Greenspon as the Bank's independent registered public accounting firm for the current fiscal year ending December 31, 2016.

The Bank has been advised that representatives of Thompson Greenspon are expected to be present at the Annual Meeting. Its representatives will have an opportunity to make a statement if so desired and will be available to respond to appropriate questions.

Recommendation of the Board

The Board of Directors unanimously recommends that shareholders vote "FOR" Proposal Four, the ratification of the appointment of Thompson Greenspon as the Bank's independent registered public accounting firm for the year ending December 31, 2016.

SHAREHOLDER PROPOSALS FOR 2017 ANNUAL MEETING

Any proposal to be considered for inclusion in the Bank's proxy materials in connection with the 2017 Annual Meeting must be in proper form and must be received by the Bank's Chief Executive Officer, at the Bank's principal office in Fairfax, Virginia, not less than 60 days prior to the anniversary of the date on which the Bank first mailed its proxy materials for the preceding year's annual meeting.

The proxy solicited by the Board for the 2017 Annual Meeting will confer discretionary authority to the proxy holders to vote in accordance with their best judgment on any shareholder proposal presented at the meeting if the Bank has not received proper notice of such proposal.

ANNUAL REPORTS

A copy of the Bank's Annual Report for the year ended December 31, 2015 accompanies this proxy statement. Upon receipt of a written request, the Bank will furnish without charge a copy of the 2015 Annual Report. Such written requests should be directed to the Chief Financial Officer, The Freedom Bank of Virginia, PO Box 4510, Fairfax, VA 22038-4510. The Annual Report is not considered proxy-soliciting material.

OTHER MATTERS

Each proxy solicited hereby also confers discretionary authority on the Board of the Bank to vote the proxy with respect to the election of any person as a director if the nominee is unable to serve or for good cause will not serve, matters incident to the conduct of the Annual Meeting, and upon such other matters as may properly come before the Annual Meeting other than the matters described above in this proxy statement. However, if any other matters should properly come before the Annual Meeting, it is intended that the proxies solicited hereby will be voted with respect to those other matters in accordance with the judgment of the persons voting the proxies.

YOUR VOTE IS IMPORTANT! WE URGE YOU TO SIGN AND DATE THE PROXY CARD AND RETURN IT TODAY OR YOU MAY VOTE BY TELEPHONE OR ELECTRONICALLY OVER THE INTERNET BY FOLLOWING THE INSTRUCTIONS ON THE PROXY CARD.

APPENDIX A

AMENDED AND RESTATED

ARTICLES OF INCORPORATION

OF

THE FREEDOM BANK OF VIRGINIA

The undersigned, on behalf of the corporation set forth below, pursuant to Title 13.1, Chapter 9, Article 11 of the Code of Virginia, states as follows:

1. The name of the corporation is The Freedom Bank of Virginia.
2. The Articles of Incorporation of the Corporation are hereby amended and restated to read in their entirety as follows:

I. NAME

The name of the corporation is The Freedom Bank of Virginia (the "Corporation").

II. PURPOSE

The purposes for which the Corporation is organized are:

A. To operate as a state bank within the meaning of the Virginia Banking Act, and any act amendatory thereof or in substitute thereof.

B. To do all things lawful, necessary, appropriate or incidental to the accomplishment of the purposes set forth above and to exercise all lawful powers possessed by Virginia corporations of similar character.

C. To transact any or all lawful business for which banking institutions may be incorporated under the laws of the Commonwealth of Virginia.

D. The objects, powers and purposes specified in any clause or paragraph above shall be construed as objects and powers in furtherance and not in limitation of the general powers conferred upon corporations by the laws of the Commonwealth of Virginia; and it is hereby expressly provided that the foregoing enumeration of specific powers shall in no way limit or restrict any other power, object or purpose of the Corporation or in any manner affect any general powers of authority of the Corporation, subject to the laws regarding banking institutions.

III. CAPITAL STOCK

The total number of shares of all classes of stock the Corporation shall have authority to issue is (i) 25,000,000 shares of common stock, par value $0.01 per share (the "Common Stock"), 23,000,000 of which shall be designated as "Class A Voting Common Stock" and 2,000,000 of which shall be designated as "Class B

Non-voting Common Stock," and (ii) 5,000,000 shares of preferred stock (the "Preferred Stock").

The Board of Directors of the Corporation, without shareholder action, may, by adoption of an amendment to these Articles of Incorporation: (i) classify any unissued shares into one or more classes or into one or more series within one or more classes; (ii) reclassify any unissued shares into one or more classes or into one or more series within one or more classes; or (iii) reclassify any unissued shares of any series of any class into one or more classes or into one or more series within one or more classes.

A. Common Stock

1. Except as expressly provided in Paragraph 4 below, the rights, preferences and privileges of the Class A Voting Common Stock and the Class B Non-voting Common Stock shall be in all respects and for all purposes and in all circumstances absolutely and completely identical.

2. The holders of the Class A Voting Common Stock and Class B Non-voting Common Stock shall be entitled to receive an equal amount of dividends per share if, as and when declared from time to time by the Board of Directors of the Corporation. In no event shall any stock dividends or stock splits or combinations of stock be declared or made on Class A Voting Common Stock or Class B Non-voting Common Stock unless the shares of Class A Voting Common Stock and Class B Non-voting Common Stock at the time outstanding are treated equally and identically.

3. In the event of the voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up of the Corporation, holders of Class A Voting Common Stock and Class B Non-voting Common Stock shall be entitled to receive an equal amount per share of all of the assets of the Corporation of whatever kind available for distribution to holders of Common Stock, after the rights of any holders of Preferred Stock have been satisfied.

4. Except as otherwise required by law or otherwise provided in any certificate of designation for any series of Preferred Stock, the holders of Class A Voting Common Stock shall exclusively possess all voting power and each share of Class A Voting Common Stock shall be entitled to one vote and the holders of the Class B Non-voting Common Stock shall have no voting power, and shall not have the right to participate in any meetings of shareholders or to have notice thereof, except as required by applicable law and except that any action that would significantly and adversely alter or change the powers, preferences or rights of the Class B Non-voting Common Stock shall require the approval of the Class B Non-voting Common Stock voting as a separate class.

5. *Conversion of Class B Non-voting Common Stock.*

(a) Shares of Class B Non-voting Common Stock may be converted into shares of Class A Voting Common Stock at the option of the holder

thereof in accordance with the provisions of this Paragraph 5 to the extent (but only to the extent) that such conversion (i) is permitted by guidance and policies established by the Board of Governors of the Federal Reserve System as applicable and in effect at the time of transfer and (ii) would not cause or result in the holder of such Class B Non-voting Common Stock, together with any other holder (a "Related Holder") of the Corporation's capital stock whose ownership or control of such capital stock would be aggregated with that of the holder for purposes of the Bank Holding Company Act of 1956, as amended (the "BHC Act"), or the Change in Bank Control Act of 1978, as amended (the "CIBC Act"), and any rules and regulations promulgated thereunder, being deemed to own, control or have the power to vote, for purposes of the BHC Act or the CIBC Act and any rules and regulations promulgated thereunder, 10% or more of the Class A Voting Common Stock outstanding at any time, without giving effect to any reductions in the percentage of Class A Voting Common Stock owned, controlled or held with power to vote by such holder and any Related Holder so resulting from transfers of the Class A Voting Common Stock to third parties.

The Class B Non-voting Common Stock shall only be transferrable by a holder (i) in a widely distributed public offering registered, to the extent required, pursuant to the Securities Act of 1933, as amended, (ii) to a person that is acquiring a majority of the Corporation's outstanding voting securities (as defined for purposes of the BHC Act and any rules or regulations promulgated thereunder) not including any voting securities such person is acquiring from such transferor, (iii) upon certification by the transferor in writing to the Corporation that the transferor believes that the transferee will not, after giving effect to such transfer, own for purposes of the BHC Act or CIBC Act and any rules and regulations promulgated thereunder, 2% or more of any class of voting securities of the Corporation outstanding at such time, (iv) to any transferee controlling, controlled by or under common control with the transferor, (v) to the Corporation or (vi) as otherwise permitted under the BHC Act, the CIBC Act and the rules and regulations promulgated thereunder without causing the transferor to be deemed to control voting securities of the Corporation.

(b) *Conditions of Conversion*. If a holder of shares of Class B Non-voting Common Stock wishes to convert such shares into Class A Voting Common Stock, then subject to the conditions set forth in Paragraph 5(a), such holder shall surrender to the Corporation (at the principal office of the Corporation) a certificate or certificates, if any, representing the number of shares to be so converted, and in such event each share of Class B Non-voting Common Stock represented by such certificate or certificates (to the extent permitted by Paragraph 5(a)) will convert into one share of Class A Voting Common Stock.

Except as otherwise provided herein, each conversion of Class B Non-voting Common Stock shall be deemed to have been effected as of the close of business on the date on which the certificate or certificates, if any, representing such shares of Class B Non-voting Common Stock to be converted have been surrendered for conversion at the principal office of the Corporation. Notwithstanding any other provision hereof, if a conversion of Class B Non-voting Common Stock is to be made in connection with a merger, consolidation, reclassification or other transaction in which the shares of Class A Voting Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property or any dissolution or liquidation, the conversion of any shares of Class B Non-voting Common Stock may, at the election of the holder thereof, be conditioned upon the consummation of such event or transaction, in which case such conversion shall not be deemed to be effective until such event or transaction has been consummated.

If the holder or transferee fully complies with this Paragraph 5, the Corporation shall, as soon as practicable thereafter, instruct its transfer agent to deliver to such holder or transferee, or to such holder's nominee or nominees, the number of shares of Class A Voting Common Stock to which such holder or transferee shall be entitled, rounded down to the nearest whole share, and a check for any amount payable hereunder in lieu of a fractional share, along with a certificate or other evidence of ownership representing any shares of Class B Non-voting Common Stock that the holder or transferee has not elected to convert hereunder but which constituted part of the shares of Class B Non-voting Common Stock represented by the certificate or certificates surrendered, if any.

The issuance of any such certificates shall be made without charge to the holders of such shares for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such conversion and the related issuance of shares of Class A Voting Common Stock. The Corporation shall not close its books against the transfer of Class B Non-voting Common Stock or of Class A Voting Common Stock issued or issuable upon conversion of Class B Non-voting Common Stock in any manner which interferes with the timely conversion of Class B Non-voting Common Stock. The Corporation shall assist and cooperate with any holder of shares of Class B Non-voting Common Stock or Class A Voting Common Stock issued or issuable upon conversion of Class B Non-voting Common Stock in making any required governmental filings or notices or obtaining any governmental approval prior to or in connection with any conversion of shares of Class B Non-voting Common Stock hereunder (including,

without limitation, making any filings required to be made by the Corporation).

(c) *Reservation of Stock Issuable Upon Conversion*. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Voting Common Stock, solely for the purpose of effecting the conversion of the Class B Non-voting Common Stock, such number of shares of Class A Voting Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class B Non-voting Common Stock. The Corporation shall take all action necessary so that all shares of Class A Voting Common Stock issuable upon conversion of Class B Non-voting Common Stock will upon issue be duly and validly issued, fully paid, and non-assessable, and free from all taxes, liens, charges and encumbrances in respect of the issuance or delivery thereof. The Corporation shall take all such actions as may be necessary to assure that all such shares of Class A Voting Common Stock issuable upon conversion of the Class B Non-voting Common Stock may be so issued without violation of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which shares may be listed (except for official notice of issuance which shall be immediately delivered by the Corporation upon each such issuance). The Corporation shall not take any action which would cause the number of authorized but unissued shares of Class A Voting Common Stock to be less than the number of such shares required to be reserved hereunder for issuance upon conversion of the Class B Non-voting Common Stock.

B. Preferred Stock

Shares of Preferred Stock may be issued in one or more series. Authority is expressly vested in the Board of Directors at any time and from time to time to cause the Preferred Stock to be issued in one or more series and, to the fullest extent permitted by law, to fix and determine the preferences, limitations and relative rights of the shares of any series of Preferred Stock so established and provide for the issuance of shares thereof. Prior to the issuance of any share of a series of Preferred Stock, the Board of Directors shall establish such series by adopting an amendment of the Articles of Incorporation setting forth the designation and number of shares of the series and the preferences, limitations and relative rights thereof, and the Corporation shall file with the State Corporation Commission articles of amendment as required by law, and the State Corporation Commission shall have issued a certificate of amendment. The Preferred Stock of each series shall have preferences, limitations and relative rights identical with those of other shares of the same series and, except to the extent otherwise provided in the description of the series, with those of shares of other series of the same class.

C. Preemptive Rights

No holder of any class of capital stock of the Corporation shall have any preemptive right to purchase or subscribe to (i) any shares of capital stock of the Corporation, (ii) any securities convertible into such shares, and (iii) any options, warrants or rights to purchase such shares or securities convertible into any such shares; other than such rights as the Board of Directors, in its discretion, may from time to time determine and at such price per share or security as the Board of Directors may from time to time set.

D. Uncertificated Shares

Any or all classes and series of shares of the Corporation, or any part thereof, may be represented by uncertificated shares to the extent determined by the Board of Directors, except as required by applicable law, including that shares represented by a certificate that is issued and outstanding shall continue to be represented thereby until the certificate is surrendered to the Corporation. Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner thereof a written notice containing the information required by applicable law to be set forth or stated on certificates. Except as otherwise expressly provided by law, the rights and obligations of the holders of shares represented by certificates and the rights and obligations of the holders of uncertificated shares of the same class and series shall be identical.

IV. DIRECTORS

A. Powers of the Board

The business and affairs of the Corporation shall be managed by or under the direction of its Board of Directors; except as these Articles of Incorporation or Virginia law otherwise provides; provided, however, that any limitations on the Board of Director's management or direction of the affairs of the Corporation shall reserve the Board of Director's full power to discharge its fiduciary duties.

B. Classified Board of Directors; Term

The Board of Directors shall consist of such number of individuals as shall be specified in or fixed in accordance with the Bylaws of the Corporation. Directors shall be divided into three classes, with each class containing one-third of the total, as near as may be reasonably possible. The term of office of the first class shall expire at the first annual shareholders' meeting after their election, the term of office of the second class shall expire at the second annual shareholders' meeting after their election, and the term of office of the third class shall expire at the third annual shareholders' meeting after their election. Each director should hold office for the term he or she was elected and until his or her successor shall have been duly elected and qualified. At each annual shareholders' meeting thereafter,

directors elected to succeed those directors whose terms expire shall be elected for a term of office to expire at the third annual meeting of shareholders after their election.

C. Removal of Directors

Directors may be removed with or without cause only by the affirmative vote of the holders of at least 66⅔ % of the shares entitled to vote in the election of directors at a duly constituted meeting of shareholders called expressly for such purpose.

D. Vacancies

Subject to any rights provided in these Articles of Incorporation for holders of any class or series of preferred shares outstanding, any vacancies in the Board of Directors, including vacancies resulting from an increase in the number of directors, may be filled only by a majority vote of the directors then in office, though less than a quorum, and directors so chosen shall hold office for a term expiring at the next annual shareholders' meeting, with each director to hold office until his or her successor shall have been duly elected and qualified.

V. INDEMNIFICATION AND LIMITS ON LIABILITY OF DIRECTORS AND OFFICERS

A. To the fullest extent permitted by Virginia law as it may be amended from time to time, the Corporation shall indemnify any Director or Officer made a Party to a Proceeding (including without limitation any Proceeding by or in the right of the Corporation in which the Director or Officer is adjudged liable to the Corporation) because he or she is or was a Director or Officer of the Corporation against any Liability incurred in the Proceeding. The Corporation shall be required to indemnify a person in connection with a proceeding initiated by such person only if the proceeding is authorized in advance by the Board of Directors of the Corporation.

B. The Corporation shall not indemnify a Director or Officer under Paragraph A above (unless authorized or ordered by a court) unless in each specific case a determination pursuant to Virginia law, as it may be amended from time to time, has been made that indemnification is permissible under the circumstances. The termination of a Proceeding by judgment, order, settlement or conviction is not, of itself, determinative that the Director or Officer is not entitled to indemnification under this Article V.

If after the date of the alleged act or omission with respect to which indemnification is claimed the Corporation has merged with or into another entity or there has been a change in the composition of a majority of the Board of Directors, any determination as to indemnification and advancement of expenses with respect to any claim for indemnification made pursuant to this Article shall be made by special legal counsel agreed upon by the Board of Directors and the applicant. If the

Board of Directors and the applicant are unable to agree upon such special legal counsel the Board of Directors and the applicant each shall select a nominee, and the nominees shall select such special legal counsel.

C. Expenses incurred by a Director or Officer in a Proceeding shall be paid by the Corporation in advance of the final disposition of the Proceeding if:

1. The Director or Officer furnishes the Corporation a signed written undertaking, executed personally or on his or her behalf, to repay any funds advanced if it is ultimately determined that he or she did not meet the standard for indemnification pursuant to this Article V; and

2. The undertaking required by subsection 1 of this Paragraph C shall be an unlimited general obligation of the Director or Officer but need not be secured and may be accepted without reference to his or her financial ability to make repayment.

D. The indemnification provided by this Article V shall not be exclusive of any other rights to which any Director or Officer may be entitled, including without limitation, rights conferred by applicable law and any right under policies of insurance that may be purchased and maintained by the Corporation or others, even as to liabilities against which the Corporation would not have the power to indemnify such Director or Officer under the provisions of this Article V.

E. The Corporation may purchase and maintain at its sole expense insurance, in such amounts and on such terms and conditions as the Board of Directors may deem reasonable, against all liabilities or losses it may sustain in consequence of the indemnification provided for in this Article V.

F. The Board of Directors shall have the power but not the obligation, generally and in specific cases, to indemnify employees and agents of the Corporation to the same extent as provided in this Article V with respect to Directors or Officers. The Board of Directors is hereby empowered by a majority vote of a quorum of disinterested Directors to contract in advance to indemnify any Director or Officer. The Board of Directors is further empowered, by majority vote of a quorum of disinterested Directors, to cause the Corporation to contract in advance to indemnify any person who is not a Director or Officer who was or is a party to any Proceeding, by reason of the fact that he or she is or was an employee or agent of the Corporation, or was serving at the request of the Corporation as Director, Officer, employee or agent of another corporation, partnership, joint venture trust, employee benefit plan or other enterprise, to the same extent as if such person were a Director or Officer.

G. No right provided to any person pursuant to this Article V may be reduced or eliminated by any merger or amendment of the Articles of Incorporation or Bylaws with respect to any act or omission occurring before such merger or amendment.

H. To the full extent that Virginia law, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of the liability of Directors and Officers, a Director or Officer shall not be liable to the Corporation or its shareholders.

I. In this Article V:

"Director" means an individual who is or was a director of the Corporation or an individual who, while a director of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. A director is considered to be serving an employee benefit plan at the Corporation's request if his duties to the Corporation also impose duties on, or otherwise involve services by, him to the plan or to participants in or beneficiaries of the plan. "Director" includes the estate or personal representative of a director.

"Expenses" includes but is not limited to counsel fees.

"Liability" means the obligation to pay a judgment, settlement, penalty, fine, including without limitation any excise tax assessed with respect to an employee benefit plan, or reasonable Expenses incurred with respect to a Proceeding.

"Officer" means an individual who is or was an officer of the Corporation or an individual who is or was serving at the Corporation's request as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. An officer is considered to be serving an employee benefit plan at the Corporation's request if his duties to the Corporation also impose duties on, or otherwise involve services by, him to the plan or to participants in or beneficiaries of the plan. "Officer" includes the estate or personal representative of an officer. Except as set forth above "Officer" does not include officers of corporations controlled by the Corporation.

"Party" includes an individual who was, is, or is threatened to be made a named defendant or respondent in any Proceeding.

"Proceeding" means any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

VI. CERTAIN SHAREHOLDER VOTE REQUIREMENTS

Any action requiring shareholder approval, excepting those matters specified below, shall be authorized by a majority of the votes cast by shareholders entitled to vote at a meeting in which the action is taken.

A. An amendment to the Articles of Incorporation of the Corporation shall be approved by the vote of a majority of all the votes entitled to be cast on such amendment by each voting group entitled to vote on the amendment at a meeting at which a quorum of the voting group is present, provided that the amendment has been approved and recommended by at least two-thirds of the Continuing Directors in office at the time of such approval and recommendation. If the amendment is not so approved and recommended, then the amendment shall be approved by the vote of two-thirds or more of all the votes entitled to be cast on such amendment by each voting group entitled to vote on the amendment.

B. Any merger or share exchange to which the Corporation is a party or any direct or indirect sale, lease, exchange or other disposition of all or substantially all of the Corporation's property, otherwise than in the usual and regular course of business, shall be approved by the vote of a majority of all the votes entitled to be cast on such transaction by each voting group entitled to vote on the transaction at a meeting at which a quorum of the voting group is present, provided that the transaction has been approved and recommended by at least two-thirds of the Continuing Directors in office at the time of such approval and recommendation. If the transaction is not so approved and recommended, then the transaction shall be approved by the vote of two-thirds or more of all the votes entitled to be cast on such transaction by each voting group entitled to vote on the transaction.

   This Paragraph B shall not affect the power of the Board of Directors to condition its submission of any plan of merger, share exchange or direct or indirect sale, lease, exchange or other disposition of all or substantially all of the Corporation's property, otherwise than in the usual and regular course of business, on any basis, including the requirement of a greater vote.

C. Shareholders may act by less than unanimous written consent in accordance with Virginia law if the action taken is first approved by the Board of Directors and then submitted to shareholders for their written consent.

D. One-third (⅓) of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. If less than one-third (⅓) of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

E. For purposes of this Article VI, a "Continuing Director" is (i) any person who was a member of the Board of Directors of the Corporation as of December 22, 2015, (ii) any individual who has been elected to the Board of Directors of the Corporation at

an annual meeting of the shareholders of the Corporation more than one time or (iii) any individual who was elected to fill a vacancy on the Board of Directors and received the affirmative vote of a majority of the Continuing Directors then on the Board of Directors and thereafter elected to the Board of Directors at an annual meeting of the shareholders of the Corporation at least one time.

VII. BYLAW AMENDMENTS

The Board of Directors shall have power to make, alter, amend and repeal the Bylaws of the Corporation except so far as the Bylaws of the Corporation adopted by the shareholders shall otherwise provide. Any Bylaws made by the directors under the powers conferred hereby may be altered, amended or repealed by the directors or by the shareholders.

VIII. INITIAL REGISTERED OFFICE AND REGISTERED AGENT

The mailing address of the Corporation's initial registered office in the Commonwealth of Virginia is 10560 Main Street, Suite 511, Fairfax, Virginia 22030, and the name of the Corporation's initial registered agent at that office is Robert A. Payne, a member of the Virginia State Bar and resident of the Commonwealth of Virginia.

3. The foregoing amendments were adopted by the Board of Directors on January 27, 2016.
4. The amendments were proposed by the Board of Directors and submitted to the shareholders in accordance with the provisions of Title 13.1, Chapter 9 of the Code of Virginia, and:
    a. The designation, number of outstanding shares, and number of votes entitled to be cast by each voting group entitled to vote separately on the amendments were:

Designation	Number of outstanding shares	Number of votes
Common Stock		

    b. The total number of votes cast for and against the amendments by each voting group entitled to vote separately on the amendments were:

Voting Group	Total votes **FOR**	Total votes **AGAINST**
Common Stock		

    c. The number cast for the amendments by each voting group was sufficient for approval by that voting group.

Pursuant to Section 13.1-606 of the Virginia Stock Corporation Act, the effective time and date of these Amended and Restated Articles of Incorporation shall be _____ on _____.

APPENDIX B

SECOND AMENDMENT TO THE
2007 STOCK OPTION AND EQUITY PLAN
OF THE FREEDOM BANK OF VIRGINIA

This SECOND AMENDMENT (the "Amendment") to the 2007 Stock Option and Equity Plan of The Freedom Bank of Virginia, a Virginia-chartered commercial bank (the "Bank"), shall be effective upon the date of approval (the "Effective Date") of the Amendment by the affirmative vote of the holders of a majority of the votes cast at the 2016 Annual Meeting of the Bank's shareholders.

WHEREAS, the Bank maintains the 2007 Stock Option and Equity Plan, effective April 25, 2007 and as amended on June 9, 2011 (the "Plan").

WHEREAS, pursuant to Section 9(f) of the Plan, the Board of Directors of the Company desires to increase the number of shares of common stock available for issuance under the Plan.

NOW, THEREFORE, the Plan is amended as follows as of the Effective Date:

I. Section 2(bb) of the Plan shall be be amended by deleting it in its entirety and replacing it with the following:

"((bb) "Stock" means the Bank's Common Stock, par value $3.16 per share, and such other securities as may be substituted (or resubstituted) for Stock pursuant to Section 9(d) hereof."

II. Section 4 of the Plan shall be amended by deleting it in its entirety and replacing it with the following:

"4. *Stock Subject to Plan*. Subject to adjustment as provided in Section 9(d) hereof, the total number of shares of Stock reserved and available for delivery in connection with Awards under the Plan shall not exceed 833,600. The Committee or the Board may adopt reasonable counting procedures to ensure appropriate counting, avoid double counting and make adjustments if the number of shares of Stock actually delivered differs from the number of shares previously counted in connection with an Award."

III. In all respects not amended above, the Plan is hereby ratified and confirmed.

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To record adoption of the Amendment as set forth above, the Bank has caused this document to be signed on this day of , 2016.

THE FREEDOM BANK OF VIRGINIA

By: _____
Name:
Title:

APPENDIX C

THE FREEDOM BANK OF VIRGINIA

2007 STOCK OPTION AND EQUITY PLAN

1. *Purpose*. The purpose of this 2007 Stock Option and Equity Plan (the "Plan") is to assist The Freedom Bank of Virginia, a Virginia corporation (the "Bank") and its Related Entities in attracting, motivating, retaining and rewarding high-quality executives and other employees, officers, directors, and consultants by enabling such persons to acquire or increase a proprietary interest in the Bank in order to strengthen the mutuality of interests between such persons and the Bank's shareholders, and providing such persons with long term performance incentives to expend their maximum efforts in the creation of shareholder value.

2. *Definitions*. For purposes of the Plan, the following terms shall be defined as set forth below, in addition to such terms defined in Section 1 hereof.

(a) "Award" means any Option or Restricted Stock, together with any other right or interest, granted to a Participant under the Plan.

(b) "Beneficiary" means the person, persons, trust or trusts which have been designated by a Participant in his or her most recent written beneficiary designation filed with the Committee to receive the benefits specified under the Plan upon such Participant's death or to which Awards or other rights are transferred if and to the extent permitted under Section 9(b) hereof. If, upon a Participant's death, there is no designated Beneficiary or surviving designated Beneficiary, then the term Beneficiary means the person, persons, trust or trusts entitled by will or the laws of descent and distribution to receive such benefits.

(c) "Board" means the Bank's Board of Directors.

(d) "Cause" shall, with respect to any Participant, have the equivalent meaning (or the same meaning as "cause" or "for cause") set forth in any employment agreement between the Participant and the Bank or a Related Entity or, in the absence of any such agreement, such term shall mean (i) the failure by the Participant to perform his or her duties as assigned by the Bank (or a Related Entity) in a reasonable manner, (ii) any violation or breach by the Participant of his or her employment agreement with the Bank (or a Related Entity), if any, (iii) any violation or breach by the Participant of his or her non-competition and/or non-disclosure agreement with the Bank (or a Related Entity), if any, (iv) any act by the Participant of dishonesty or bad faith with respect to the Bank (or a Related Entity), (v) chronic addiction to alcohol, drugs or other similar substances affecting the Participant's work performance, or (vi) the commission by the Participant of any act, misdemeanor, or crime reflecting unfavorably upon the Participant or the Bank. The good faith determination by the Committee of whether the Participant's Continuous Service was terminated by the Bank for "Cause" shall be final and binding for all purposes hereunder.

(e) "Change in Control" means a Change in Control as defined with related terms in Section 8 of the Plan.

(f) "Code" means the Internal Revenue Code of 1986, as amended from time to time, including regulations thereunder and successor provisions and regulations thereto.

(g) "Committee" means a committee designated by the Board to administer the Plan.

(h) "Consultant" means any person (other than an Employee or a Director, solely with respect to rendering services in such person's capacity as a director) who is engaged by the Bank or any Related Entity to render consulting or advisory services to the Bank or such Related Entity, including, but not limited to, Advisory Board members, Honorary Directors, Directors Emeritus, and individuals who provide advice or consultation without other compensation.

(i) "Continuous Service" means uninterrupted provision of services to the Bank in any capacity of Employee, Director, or Consultant. Continuous Service shall not be considered to be interrupted in the case of (i) any approved leave of absence, (ii) transfers among the Bank, any Related Entities, or any successor entities, in any capacity of Employee Director, or Consultant, or (iii) any change in status as long as the individual remains in the service of the Bank or a Related Entity in any capacity of Employee, Director, or Consultant (except as otherwise provided in the applicable agreement evidencing an Award). An approved leave of absence shall include sick leave, military leave, or any other authorized personal leave.

(j) "Corporate Transaction" means a Corporate Transaction as defined in Section 8(b)(i) of the Plan.

(k) "Director" means a member of the Board or the board of directors of any Related Entity.

(l) "Disability" means a permanent and total disability (within the meaning of Section 22(e) of the Code), as determined by a medical doctor satisfactory to the Committee.

(m) "Effective Date" means the effective date of the Plan, which shall be April 25, 2007.

(n) "Eligible Person" means each officer, Director and Employee of the Bank or of any Related Entity, and any Consultant to the Bank or any Related Entity. The foregoing notwithstanding, only Employees of the Bank, the Parent, or any Subsidiary shall be Eligible Persons for purposes of receiving any Incentive Stock Options, and only Employees, Consultants and Directors performing services for the Bank or a Subsidiary shall be Eligible Persons for purposes of receiving any Nonqualified Stock Options. An Employee on leave of absence may be considered as still in the employ of the Bank or a Related Entity for purposes of eligibility for participation in the Plan.

(o) "Employee" means any person, including an officer or Director, who is an employee of the Bank or any Related Entity. The Payment of a director's fee by the Bank or a Related Entity shall not be sufficient to constitute "employment" by the Bank.

(p) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, including rules thereunder and successor provisions and rules thereto.

(q) "Fair Market Value" means the fair market value of Stock, Awards or other property as determined by the Committee or the Board, or under procedures established by the Committee or the Board. Such procedures shall comply with the requirements of Section 409A of the Code with respect to the determination of the Fair Market Value in the context of Awards of Nonqualified Stock Options and with the requirements of Section 422 of the Code with respect to the determination of the Fair Market Value in the context of Awards of Incentive Stock Options.

(r) "Good Reason" shall, with respect to any Participant, have the equivalent meaning (or the same meaning as "good reason" or "for good reason") set forth in any employment

agreement between the Participant and the Bank or a Related Entity or, in the absence of any such agreement, such term shall mean (i) the assignment to the Participant of any duties materially inconsistent with the Participant's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as assigned by the Bank (or a Related Entity), or any other action by the Bank (or a Related Entity) which results in a material diminution in such position, authority, duties or responsibilities, in each case if such assignment or other action shall not have been discontinued or otherwise cured within 30 days after the Bank's receipt of written notice from the Participant with respect thereto; (ii) any failure by the Bank (or a Related Entity) to comply with its obligations to the Participant as agreed upon, if such failure shall not have been remedied within 30 days after the Bank's receipt of written notice from the Participant with respect thereto; or (iii) any purported termination by the Bank (or a Related Entity) of the Participant's Continuous Service otherwise than for Cause as defined in Section 2(d), or by reason of the Participant's Disability as defined in Section 2(l).

(s) "Incentive Stock Option" means any Option that is intended to be an incentive stock option within the meaning of Section 422 of the Code or any successor provision thereto and that is designated as such

(t) "Incumbent Board" means the Incumbent Board as defined in Section 8(b)(ii) of the Plan.

(u) "Nonqualified Stock Option" means any Option granted under this Plan that is not intended to qualify as an incentive stock option under Section 422 of the Code. Any Option not specifically designated as an Incentive Stock Option shall be a Nonqualified Stock Option.

(v) "Option" means a right granted to a Participant under Section 6(b) hereof, to purchase Stock or other Awards at a specified price during specified time periods.

(w) "Optionee" means a person to whom an Option is granted under this Plan or any person who succeeds to the rights of such person under this Plan.

(x) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(y) "Participant" means a person who has been granted an Award under the Plan which remains outstanding, including a person who is no longer an Eligible Person.

(z) "Related Entity" means any corporation, partnership or other business entity which, directly or indirectly, controls, is under common control with, or is controlled by, the Bank.

(aa) "Restricted Stock" means Stock sold or issued to a Participant under Section 6(c) hereof, that is subject to certain restrictions and to a risk of forfeiture.

(bb) "Stock" means the Bank's Common Stock, par value $5.00 per share, and such other securities as may be substituted (or resubstituted) for Stock pursuant to Section 9(c) hereof.

(cc) "Subsidiary" means a "subsidiary corporation" whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. *Administration*.

(a) *Authority of the Committee*. The Plan shall be administered by the Committee; provided, however, that except as otherwise expressly provided in this Plan the Board may exercise any power or authority granted to the Committee under this Plan. The Committee or the Board shall have full and final authority, in each case subject to and consistent with the provisions of the Plan, to select Eligible Persons to become Participants, grant Awards, determine the type, number and other terms and conditions of, and all other matters relating to, Awards, prescribe Award agreements (which need not be identical for each Participant) and rules and regulations for the administration of the Plan, construe and interpret the Plan and Award agreements and correct defects, supply omissions or reconcile inconsistencies therein, and to make all other decisions and determinations as the Committee or the Board may deem necessary or advisable for the administration of the Plan. In exercising any discretion granted to the Committee or the Board under the Plan or pursuant to any Award, the Committee or the Board shall not be required to follow past practices, act in a manner consistent with past practices, or treat any Eligible Person in a manner consistent with the treatment of other Eligible Persons.

(b) *Manner of Exercise of Committee Authority*. Any action of the Committee or the Board shall be final, conclusive and binding on all persons, including the Bank, its Related Entities, Participants, Beneficiaries, transferees under Section 9(b) hereof or other persons claiming rights from or through a Participant, and shareholders. The express grant of any specific power to the Committee or the Board, and the taking of any action by the Committee or the Board, shall not be construed as limiting any power or authority of the Committee or the Board. The Committee or the Board may delegate to officers or managers of the Bank or any Related Entity, or committees thereof, the authority, subject to such terms as the Committee or the Board shall determine, (i) to perform administrative functions and (ii) to perform such other functions as the Committee or the Board may determine, in each case to the extent permitted under applicable law. The Committee or the Board may appoint agents to assist it in administering the Plan.

(c) *Limitation of Liability*. The Committee and the Board, and each member thereof, shall be entitled to, in good faith, rely or act upon any report or other information furnished to him or her by any officer or Employee of the Bank, the Bank's independent auditors, Consultants or any other agents assisting in the administration of the Plan. Members of the Committee and the Board, and any officer or Employee acting at the direction or on behalf of the Committee or the Board, shall not be personally liable for any action or determination taken or made in good faith with respect to the Plan, and shall, to the extent permitted by law, be fully indemnified and protected by the Bank with respect to any such action or determination.

4. *Stock Subject to Plan*. Subject to adjustment as provided in Section 9(c) hereof, the total number of shares of Stock reserved and available for delivery in connection with Awards under the Plan shall not exceed 400,000 shares. The Committee or the Board may adopt reasonable counting procedures to ensure appropriate counting, avoid double counting and make adjustments if the number of shares of Stock actually delivered differs from the number of shares previously counted in connection with an Award.

5. *Eligibility*. Awards may be granted under the Plan only to Eligible Persons.

6. *Specific Terms of Awards*.

(a) *General*. Awards may be granted on the terms and conditions set forth in this Section 6. In addition, the Committee or the Board may impose on any Award or the exercise thereof, at the date of grant or thereafter (subject to Section 9(e)), such additional terms and conditions, not

inconsistent with the provisions of the Plan, as the Committee or the Board shall determine, including terms requiring forfeiture of Awards in the event of termination of Continuous Service by the Participant and terms permitting a Participant to make elections relating to his or her Award. The Committee or the Board shall retain full power and discretion to accelerate, waive or modify, at any time, any term or condition of an Award that is not mandatory under the Plan. Except in cases in which the Committee or the Board is authorized to require other forms of consideration under the Plan, or to the extent other forms of consideration must be paid to satisfy the requirements of Virginia law, no consideration other than services may be required for the grant (but not the exercise) of any Award.

(b) *Options*. The Committee and the Board each is authorized to grant Options to Participants on the following terms and conditions:

(i) *Exercise Price*. The exercise price per share of Stock purchasable under an Option shall be determined by the Committee or the Board, provided that such exercise price shall not, in the case of Incentive Stock Options, be less than 100% of the Fair Market Value of the Stock on the date of grant of the Option and shall not, in any event, be less than the par value of a share of Stock or less than the book value of a share of Stock on the date of grant of such Option. If an employee owns or is deemed to own (by reason of the attribution rules applicable under Section 424(d) of the Code) more than 10% of the combined voting power of all classes of stock of the Bank or any Parent or Subsidiary and an Incentive Stock Option is granted to such employee, the option price of such Incentive Stock Option (to the extent required by the Code at the time of grant) shall be no less than 110% of the Fair Market Value of the Stock on the date such Incentive Stock Option is granted.

(ii) *Time and Method of Exercise*. Unless otherwise determined by the Committee or the Board and set forth in the written agreement applicable to a particular Option, and except as otherwise set forth in this Plan, each Option shall vest and become exercisable in accordance with the following vesting schedule: the Option shall vest and become exercisable with respect to one-third (1/3) of the number of shares of Stock subject thereto on each of the second, third and fourth anniversaries of the grant date. The Committee or the Board shall determine the time or times at which Options shall cease to be or become exercisable following termination of Continuous Service or upon other conditions, the methods by which such exercise price may be paid or deemed to be paid (including in the discretion of the Committee or the Board a cashless exercise procedure), the form of such payment, including, without limitation, cash, Stock, other Awards or awards granted under other plans of the Bank or a Related Entity, or other property (including notes or other contractual obligations of Participants to make payment on a deferred basis), and the methods by or forms in which Stock will be delivered or deemed to be delivered to Participants.

(iii) 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. Anything in the Plan to the contrary notwithstanding, no term of the Plan relating to Incentive Stock Options shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be exercised, so as to disqualify either the Plan or any Incentive Stock Option under Section 422 of the Code, unless the Participant has first requested the change that will result in such disqualification. Thus, if and to the extent required to comply with Section 422 of the Code, Options granted as Incentive Stock Options shall be subject to the following special terms and conditions:

(A) the Option shall not be exercisable more than ten years after the date such Incentive Stock Option is granted; provided, however, that if a Participant owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10% of the combined voting power of all classes of stock of the Bank or any Parent and the Incentive Stock Option is granted to

such Participant, the term of the Incentive Stock Option shall be (to the extent required by the Code at the time of the grant) for no more than five years from the date of grant; and

(B) The aggregate Fair Market Value (determined as of the date the Incentive Stock Option is granted) of the shares of stock with respect to which Incentive Stock Options granted under the Plan and all other option plans of the Bank or its Parent during any calendar year exercisable for the first time by the Participant during any calendar year shall not (to the extent required by the Code at the time of the grant) exceed $100,000.

(iv) Nonqualified Options. The exercise price per share of Stock subject to a Nonqualified Stock Option shall be determined by the Committee or the Board at the time the Option is granted; provided, that the exercise price on the date of the grant shall not be less than (a) one-hundred percent (100%) of the Fair Market Value of such shares of Stock, or (b) the par value of such shares of Stock or (c) the book value of such shares of Stock.

(c) *Restricted Stock*. The Committee and the Board each is authorized to sell Restricted Stock to Participants on the following terms and conditions:

(i) *Issuance and Restrictions*. Restricted Stock may be issued and sold to a Participant subject to such restrictions on transferability, risk of forfeiture and other restrictions, if any, as the Committee or the Board may impose pursuant to a purchase agreement setting forth the terms of such Award, or as otherwise provided in this Plan. The restrictions may lapse separately or in combination at such times, under such circumstances (including based on achievement of performance goals and/or future service requirements), in such installments or otherwise, as the Committee or the Board may determine at the date of purchase or thereafter. Unless otherwise determined by the Committee or the Board and set forth in the written agreement applicable to a particular sale of Restricted Stock, and except as otherwise set forth in this Plan, (A) all Restricted Stock shall be subject to vesting, as described below, in accordance with the following vesting schedule: the Restricted Stock shall vest with respect to one-third (1/3) of the number of shares of Restricted Stock subject thereto on each of the second, third and fourth anniversaries of the grant date, and (B) all shares of Restricted Stock shall be subject to repurchase by the Bank upon the termination of employment or service, for any reason, of the Participant, as follows: all unvested shares of Restricted Stock shall be subject to repurchase by the Bank at the original purchase price paid by the Participant, and all vested shares of Restricted Stock shall be subject to repurchase by the Bank at the then-current fair market value (as determined by the Board or the Committee). Except to the extent restricted under the terms of the Plan and any Award agreement relating to the Restricted Stock, a Participant issued Restricted Stock shall have all of the rights of a shareholder, including the right to vote the Restricted Stock and the right to receive dividends thereon (subject to any mandatory reinvestment or other requirement imposed by the Committee or the Board). During the restricted period applicable to the Restricted Stock, subject to Section 9(b) below, the Restricted Stock may not be sold, transferred, pledged, hypothecated, margined or otherwise encumbered by the Participant.

(ii) *Certificates for Stock*. Restricted Stock issued under the Plan may be evidenced in such manner as the Committee or the Board shall determine. If certificates representing Restricted Stock are registered in the name of the Participant, the Committee or the Board may require that such certificates bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Stock, that the Bank retain physical possession of the certificates, and/or that the Participant deliver a stock power to the Bank, endorsed in blank, relating to the Restricted Stock.

(iii) *Dividends and Splits*. As a condition to the issuance of Restricted Stock, the Committee or the Board may require that any cash dividends paid on a share of Restricted Stock be automatically reinvested in additional shares of Restricted Stock or applied to the purchase of additional

Awards under the Plan. Unless otherwise determined by the Committee or the Board, Stock distributed in connection with a Stock split or Stock dividend, and other property distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock with respect to which such Stock or other property has been distributed.

(d) *Shareholders' and Confidentiality Agreement*. Notwithstanding anything to the contrary contained in this Plan, unless otherwise determined by the Board or the Committee, it shall be a condition precedent to the issuance of any Stock pursuant to an Option or to the grant of any Restricted Stock pursuant hereto that the applicable Participant shall become a party to (i) the Bank's Shareholders' Agreement, if any (the "Shareholders' Agreement"), or any other replacement or additional agreement entered into after the Effective Date by the shareholders of the Bank generally, and (ii) the Bank's form employee Confidentiality Agreement, if any (the "Confidentiality Agreement"), or any other replacement or additional agreement entered into after the Date of Grant by the employees of the Bank generally.

7. *Certain Provisions Applicable to Awards*.

(a) *Stand-Alone, Additional, Tandem, and Substitute Awards*. Awards granted under the Plan may, in the discretion of the Committee or the Board, be granted either alone or in addition to, in tandem with, or in substitution or exchange for, any other Award or any award granted under another plan of the Bank, any Related Entity, or any business entity to be acquired by the Bank or a Related Entity, or any other right of a Participant to receive payment from the Bank or any Related Entity. Such additional, tandem, and substitute or exchange Awards may be granted at any time. If an Award is granted in substitution or exchange for another Award or award, the Committee or the Board shall require the surrender of such other Award or award in consideration for the grant of the new Award. In addition, Awards may be granted in lieu of cash compensation, including in lieu of cash amounts payable under other plans of the Bank or any Related Entity, in which the value of Stock subject to the Award is equivalent in value to the cash compensation (for example, Restricted Stock), or in which the exercise price, grant price or purchase price of the Award in the nature of a right that may be exercised is equal to the Fair Market Value of the underlying Stock minus the value of the cash compensation surrendered (for example, Options granted with an exercise price "discounted" by the amount of the cash compensation surrendered).

(b) *Term of Awards*. The term of each Award shall be for such period as may be determined by the Committee or the Board; provided that in no event shall the term of any Option exceed a period of ten years (or such shorter term as may be required in respect of an Incentive Stock Option under Section 422 of the Code).

(c) *Form and Timing of Payment Under Awards; Deferrals*. Subject to the terms of the Plan and any applicable Award agreement, payments to be made to the Bank or a Related Entity upon the exercise of an Option or other Award or settlement of an Award may be made in such forms as the Committee or the Board shall determine, including, without limitation, cash, other Awards or other property, and may be made in a single payment or transfer, in installments, or on a deferred basis. The settlement of any Award may be accelerated, and cash paid in lieu of Stock in connection with such settlement, in the discretion of the Committee or the Board or upon occurrence of one or more specified events (in addition to a Change in Control). Installment or deferred payments may be required by the Committee or the Board (subject to Section 9(e) of the Plan) or permitted at the election of the Participant on terms and conditions established by the Committee or the Board. Payments may include, without limitation, provisions for the payment or crediting of a reasonable interest rate on installment or deferred payments.

8. *Change in Control.*

(a) *Effect of "Change in Control."* Unless otherwise provided in an Award agreement, in the event of a "Change in Control," as defined in Section 8(b):

(i) In the case of a Participant who has completed three (3) or more full years of Continuous Service at the time of the Change in Control, the vesting and exercisability of any Award carrying a right to exercise that was not previously vested and exercisable as of the time of the Change in Control shall accelerate in full upon the Change in Control, and the restrictions and forfeiture conditions applicable to any other Award granted under the Plan shall automatically lapse, and such Awards shall be deemed fully vested as of the time of the Change in Control, in each case except to the extent of any waiver by the Participant and subject to applicable restrictions set forth in Section 9(a) hereof; and

(ii) in the case of a Participant who has completed less than three (3) full years of Continuous Service at the time of the Change in Control, the vesting and exercisability of any Award carrying a right to exercise that was not previously vested and exercisable as of the time of the Change in Control shall accelerate with respect to 50% of the shares of Stock subject to the Award upon the Change in Control, and the restrictions and forfeiture conditions applicable to any other Award granted under the Plan shall automatically lapse with respect to 50% of the shares of Stock subject to the Award, and such Awards shall be deemed vested with respect to 50% of the shares of Stock subject thereto as of the time of the Change in Control, in each case except to the extent of any waiver by the Participant and subject to applicable restrictions set forth in Section 9(a) hereof; provided, however, that the Committee may, within its discretion, further accelerate the vesting and exercisability of any Award carrying a right to exercise such that upon a Change in Control a higher percentage of the shares of Stock subject thereto shall be vested, and/or the restrictions and forfeiture conditions applicable to any such Award shall lapse with respect to a higher percentage of the shares of Stock subject thereto, subject in each case to applicable restrictions set forth in Section 9(a) hereof.

(b) *Definition of "Change in Control.* A "Change in Control" shall be deemed to have occurred upon:

(i) Approval by the shareholders of the Bank of a reorganization, merger, consolidation or other form of corporate transaction or series of transactions, in each case, with respect to which persons who were the shareholders of the Bank immediately prior to such reorganization, merger or consolidation or other transaction do not, immediately thereafter, own more than 50% of the combined voting power entitled to vote generally in the election of directors of the reorganized, merged or consolidated company's then outstanding voting securities, or a liquidation or dissolution of the Bank or the sale of all or substantially all of the assets of the Bank (unless such reorganization, merger, consolidation or other corporate transaction, liquidation, dissolution or sale (any such event being referred to as a "Corporate Transaction") is subsequently abandoned); or

(ii) the acquisition (other than from the Bank) by any person, entity or "group", within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act, of more than 50% of either the then outstanding shares of the Bank's capital stock or the combined voting power of the Bank's then outstanding voting securities entitled to vote generally in the election of directors (hereinafter referred to as the ownership of a "Controlling Interest") excluding, for this purpose, any acquisitions by (A) the Bank or a Related Entity, (B) any person, entity or "group" that as of the date on which the Award is granted owns beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of a Controlling Interest or (C) any employee benefit plan of the Bank or a Related Entity (including, without limitation, an ESOP).

9. *General Provisions*.

(a) *Compliance With Legal and Other Requirements*. The Bank may, to the extent deemed necessary or advisable by the Committee or the Board, postpone the issuance or delivery of Stock or payment of other benefits under any Award until completion of such registration or qualification of such Stock or other required action under any federal or state law, rule or regulation, listing or other required action with respect to any stock exchange or automated quotation system upon which the Stock or other Bank securities are listed or quoted, or compliance with any other obligation of the Bank, as the Committee or the Board may consider appropriate, and may require any Participant to make such representations, furnish such information and comply with or be subject to such other conditions as it may consider appropriate in connection with the issuance or delivery of Stock or payment of other benefits in compliance with applicable laws, rules, and regulations, listing requirements, or other obligations. The foregoing notwithstanding, in connection with a Change in Control, the Bank shall take or cause to be taken no action, and shall undertake or permit to arise no legal or contractual obligation, that results or would result in any postponement of the issuance or delivery of Stock or payment of benefits under any Award or the imposition of any other conditions on such issuance, delivery or payment, to the extent that such postponement or other condition would represent a greater burden on a Participant than existed on the 90th day preceding the Change in Control.

(b) *Code Section 409A*. If and to the extent that the Committee believes that any Awards may constitute a "nonqualified deferred compensation plan" under Section 409A of the Code, the terms and conditions set forth in the Award Agreement for that Award shall be drafted in a manner that is intended to comply with, and those provisions (and /or the provisions of the Plan applicable thereto) shall be interpreted in a manner consistent with, the applicable requirements of Section 409A of the Code, and the Committee, in its sole discretion and without the consent of any Participant, may amend any Award Agreement (and the provisions of the Plan applicable thereto) if and to the extent that the Committee determines necessary or appropriate to comply with the applicable requirements of Section 409A of the Code.

(c) *Limits on Transferability; Beneficiaries*. No Award or other right or interest of a Participant under the Plan, including any Award or right which constitutes a derivative security as generally defined in Rule 16a-1(c) under the Exchange Act, shall be pledged, hypothecated or otherwise encumbered or subject to any lien, obligation or liability of such Participant to any party (other than the Bank or a Subsidiary), or assigned or transferred by such Participant otherwise than by will or the laws of descent and distribution or to a Beneficiary upon the death of a Participant, and such Awards or rights that may be exercisable shall be exercised during the lifetime of the Participant only by the Participant or his or her guardian or legal representative, except that Awards and other rights (other than Incentive Stock Options) may be transferred to one or more Beneficiaries or other transferees during the lifetime of the Participant, and may be exercised by such transferees in accordance with the terms of such Award, but only if and to the extent such transfers and exercises are permitted by the Committee or the Board pursuant to the express terms of an Award agreement (subject to any terms and conditions which the Committee or the Board may impose thereon). A Beneficiary, transferee, or other person claiming any rights under the Plan from or through any Participant shall be subject to all terms and conditions of the Plan and any Award agreement applicable to such Participant, except as otherwise determined by the Committee or the Board, and to any additional terms and conditions deemed necessary or appropriate by the Committee or the Board.

(d) *Adjustments*.

(i) *Adjustments to Awards*. In the event that any dividend or other distribution (whether in the form of cash, Stock, or other property), recapitalization, forward or reverse

split, reorganization, merger, consolidation, spin-off, combination, repurchase, share exchange, liquidation, dissolution or other similar corporate transaction or event affects the Stock and/or such other securities of the Bank or any other issuer such that a substitution, exchange, or adjustment is determined by the Committee or the Board to be appropriate, then the Committee or the Board shall, in such manner as it may deem equitable, substitute, exchange or adjust any or all of (A) the number and kind of shares of Stock which may be delivered in connection with Awards granted thereafter, (B) the number and kind of shares of Stock by which annual per-person Award limitations are measured under Section 5 hereof, (C) the number and kind of shares of Stock subject to or deliverable in respect of outstanding Awards, (D) the exercise price, grant price or purchase price relating to any Award and/or make provision for payment of cash or other property in respect of any outstanding Award, and (E) any other aspect of any Award that the Committee or Board determines to be appropriate.

(ii) *Other Adjustments*. In addition, the Committee and the Board is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, acquisitions and dispositions of businesses and assets) affecting the Bank, any Related Entity or any business unit, or the financial statements of the Bank or any Related Entity, or in response to changes in applicable laws, regulations, accounting principles, tax rates and regulations or business conditions or in view of the Committee's assessment of the business strategy of the Bank, any Related Entity or business unit thereof, performance of comparable organizations, economic and business conditions, personal performance of a Participant, and any other circumstances deemed relevant.

(e) *Taxes*. The Bank and any Related Entity are authorized to withhold from any Award granted, any payment relating to an Award under the Plan, including from a distribution of Stock, or any payroll or other payment to a Participant, amounts of withholding and other taxes due or potentially payable in connection with any transaction involving an Award, and to take such other action as the Committee or the Board may deem advisable to enable the Bank and Participants to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any Award. This authority shall include authority to withhold or receive Stock or other property and to make cash payments in respect thereof in satisfaction of a Participant's tax obligations, either on a mandatory or elective basis in the discretion of the Committee.

(f) *Changes to the Plan and Awards*. The Board may amend, alter, suspend, discontinue or terminate the Plan, or the Committee's authority to grant Awards under the Plan, without the consent of shareholders or Participants, except that any amendment or alteration to the Plan shall be subject to the approval of the Bank's shareholders not later than the annual meeting next following such Board action if such shareholder approval is required by any federal or state law or regulation, and the Board may otherwise, in its discretion, determine to submit other such changes to the Plan to shareholders for approval; provided that, without the consent of an affected Participant, no such Board action may materially and adversely affect the rights of such Participant under any previously granted and outstanding Award. The Committee or the Board may waive any conditions or rights under, or amend, alter, suspend, discontinue or terminate any Award theretofore granted and any Award agreement relating thereto, except as otherwise provided in the Plan; provided that, without the consent of an affected Participant, no such Committee or the Board action may materially and adversely affect the rights of such Participant under such Award.

(g) *Limitation on Rights Conferred Under Plan*. Neither the Plan nor any action taken hereunder shall be construed as (i) giving any Eligible Person or Participant the right to continue as an Eligible Person or Participant or in the employ of the Bank or a Related Entity; (ii) interfering in any way with the right of the Bank or a Related Entity to terminate any Eligible Person's or Participant's Continuous Service at any time, (iii) giving an Eligible Person or Participant any claim to be granted any

Award under the Plan or to be treated uniformly with other Participants and Employees, or (iv) conferring on a Participant any of the rights of a shareholder of the Bank unless and until the Participant is duly issued or transferred shares of Stock in accordance with the terms of an Award.

(h) *Unfunded Status of Awards; Creation of Trusts*. The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant or obligation to deliver Stock pursuant to an Award, nothing contained in the Plan or any Award shall give any such Participant any rights that are greater than those of a general creditor of the Bank; provided that the Committee may authorize the creation of trusts and deposit therein cash, Stock, other Awards or other property, or make other arrangements to meet the Bank's obligations under the Plan. Such trusts or other arrangements shall be consistent with the "unfunded" status of the Plan unless the Committee otherwise determines with the consent of each affected Participant. The trustee of such trusts may be authorized to dispose of trust assets and reinvest the proceeds in alternative investments, subject to such terms and conditions as the Committee or the Board may specify and in accordance with applicable law.

(i) *Nonexclusivity of the Plan*. Neither the adoption of the Plan by the Board nor its submission to the shareholders of the Bank for approval shall be construed as creating any limitations on the power of the Board or a committee thereof to adopt such other incentive arrangements as it may deem desirable.

(j) *Payments in the Event of Forfeitures; Fractional Shares*. Unless otherwise determined by the Committee or the Board, in the event of a forfeiture of an Award with respect to which a Participant paid cash or other consideration, the Participant shall be repaid the amount of such cash or other consideration. No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Award. The Committee or the Board shall determine whether cash, other Awards or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(k) *Governing Law*. The validity, construction and effect of the Plan, any rules and regulations under the Plan, and any Award agreement shall be determined in accordance with the laws of the Commonwealth of Virginia without giving effect to principles of conflicts of laws, and applicable federal law.

(l) *Plan Effective Date and Shareholder Approval; Termination of Plan*. The Plan shall become effective on the Effective Date, subject to subsequent approval within 12 months of its adoption by the shareholders of the Bank eligible to vote in the election of directors, by a vote sufficient to meet the requirements of any laws, regulations, and obligations of the Bank applicable to the Plan. Awards may be granted subject to shareholder approval of the Plan, but may not be exercised or otherwise settled in the event such shareholder approval is not obtained. The Plan shall terminate at such time as no shares of Stock remain available for issuance under the Plan and the Bank has no further rights or obligations with respect to outstanding Awards under the Plan.