



---

---

**Notice of Virtual Annual Meeting  
Proxy Statement**

MAY 6, 2024



**NOTICE OF 2024 VIRTUAL ANNUAL MEETING OF STOCKHOLDERS**



The 2024 Annual Meeting of Shareholders of Lumbée Guaranty Bank. (the "Annual Meeting") will be held in a virtual format at the time and in the manner described below.

**Date and Time:**

Wednesday, May 29, 2024  
1:00 p.m. Eastern Daylight Time

**Place:**

The Annual Meeting will be a virtual shareholder meeting at <https://agm.issuereirect.com/lumb>.

To attend the Annual Meeting, go to the website above at the meeting time and log-in to the meeting by entering your name and email address and your unique eight-digit "Control ID" number. If you are a record holder of our Common Stock, your Control ID Number appears on the portion of your proxy card that you retain. If you are a record holder of our Class A Common Stock, your Control ID is printed on the name and address insert you received with our Proxy Statement.

Help and technical support for accessing and participating in the virtual Annual Meeting will be available on the day of the meeting by calling 844-399-3386 or 919-744-2718. You may begin to log into the meeting website at 12:45 p.m. EDT on the meeting date.

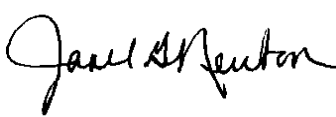
**Matters to be Voted On:**

1. Election of nine directors for one-year terms.
2. Proposal to ratify the appointment of Elliot Davis PLLC as our independent accountants for 2024.

Our Board of Directors unanimously recommends that you vote:  
"FOR" each of the nominees named in Proposal 1 and  
"FOR" Proposal 2

This notice and the enclosed proxy statement and card are being mailed to our shareholders on or about May 6, 2024.

**By the Order of the Board of Directors**



**Janet G. Newton, Corporate Secretary**

**PROXY VOTING**



**INTERNET**

Visit <https://www.iproxydirect.com/lumb> and follow the instructions on your proxy card.



**MAIL**

Mark, sign, and date your proxy card and mail it in the enclosed envelope.



**During the Meeting**

Vote online during the meeting by following the instructions on the virtual meeting platform.

To vote, you will need both your Control ID and Request ID numbers included on your proxy card.

**Record Date**

The Record Date for the determination of shareholders entitled to vote at the Annual Meeting is April 10, 2024 (the "Record Date"). You are entitled to participate remotely in the Annual Meeting if you were a holder of record of shares of our Common Stock and/or our Class A Common Stock as of the close of business on the Record Date. Holders of our Common Stock may cast one vote for each share they held of record on the Record Date. However, shares of our Class A Common Stock are non-voting shares and record holders of those shares may not vote at the meeting.

## PROXY TABLE OF CONTENTS

<b>VIRTUAL ANNUAL MEETING OF SHAREHOLDERS .....</b>	<b>1</b>
2024 Annual Meeting of Shareholders .....	1
Voting Securities .....	1
Proposals and Voting Recommendations .....	2
Proxy Voting Methods .....	2
Proxy Statement Definitions .....	2
<b>PROPOSAL 1: ELECTION OF DIRECTORS .....</b>	<b>3</b>
General .....	3
Nominees .....	3
Director Independence .....	7
Board Leadership Structure .....	7
Board's Role in Risk Management .....	7
Attendance by Directors at Meetings .....	8
Communications with Our Board .....	8
Code of Ethical Conduct .....	8
<b>COMMITTEES OF OUR BOARD OF DIRECTORS .....</b>	<b>8</b>
General .....	8
Executive Committee .....	9
Audit Committee .....	9
Personnel Committee .....	9
Asset/Liability Committee .....	10
Nominating Committee .....	10
<b>EXECUTIVE OFFICERS .....</b>	<b>11</b>
<b>DIRECTOR COMPENSATION .....</b>	<b>11</b>
General .....	11
Director Compensation for 2023 .....	11
Director Life Insurance .....	12
<b>TRANSACTIONS WITH RELATED PERSONS .....</b>	<b>12</b>
<b>BENEFICIAL OWNERSHIP OF OUR COMMON STOCK .....</b>	<b>13</b>
<b>PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT ACCOUNTANTS .....</b>	<b>13</b>
<b>FREQUENTLY ASKED QUESTIONS ABOUT THE VIRTUAL ANNUAL MEETING .....</b>	<b>14</b>

### AUDITED FINANCIAL STATEMENTS

A copy of our audited statements of condition at December 31, 2023 and 2022, and our audited statements of operations, shareholders' equity and cash flows for the years ended December 31, 2023, 2022 and 2021, together with our independent accountants' report thereon, will be provided, without charge, to any shareholder of record upon his or her request. Requests for copies should be directed in writing to our Corporate Secretary, Janet G. Newton, at Lumbee Guaranty Bank, Post Office Box 908, Pembroke, North Carolina 28372, or to her by telephone at (910) 522-5830.

*In connection with the solicitation of proxy appointments for the Annual Meeting, we have not authorized anyone to give you any information, or make any representation, that is not contained in this proxy statement. If anyone gives you any other information or makes any other representation, you should not rely on it as having been authorized by us.*






Physical Address:  
403 East Third Street  
Pembroke, North Carolina 28372  
Principal Office Mailing Address:  
Post Office Box 908  
Pembroke, North Carolina 28372

## PROXY STATEMENT

### VIRTUAL ANNUAL MEETING OF SHAREHOLDERS

This proxy statement is dated as of and is being furnished to our shareholders on or about May 6, 2024 by the Board of Directors of Lumbee Guaranty Bank in connection with our solicitation of proxy appointments in the form of the enclosed proxy card from record holders of our Common Stock for use at the 2024 Annual Meeting of Shareholders (the "Annual Meeting") and at any adjournments of the meeting. Forms of proxy appointments are not enclosed with copies of this proxy statement mailed to holders of our Class A Common Stock since those shares are non-voting shares and may not be voted at the Annual Meeting.

#### 2024 Annual Meeting of Shareholders

 <p><b>Time and Date</b> Wednesday, May 29, 2024 1:00 p.m. EDT</p>	 <p><b>Virtual Location:</b> <a href="https://agm.issuereirect.com/lumb">https://agm.issuereirect.com/lumb</a></p>	 <p><b>Record Date:</b> April 10, 2024</p>
---	---	---

If for any reason we are unable to convene the Annual Meeting, or if after being convened the meeting is interrupted and cannot be continued, including due to loss of internet connectivity or communications capabilities, power failure, or other technical difficulties, the meeting will be adjourned. If a verbal or written announcement of a later date and time for reconvening the meeting is made during the meeting or posted on the meeting website during the scheduled time for the meeting, the meeting will be reconvened on that date and at that time in a virtual meeting format at the same web address listed above, and no further notice of the date and time of the reconvened meeting will be given unless the adjournment is for more than 30 days or the Record Date is changed. The instructions described in this proxy statement for accessing, participating in, and voting at the original meeting will apply to any such reconvened meeting.

More detailed information about the Annual Meeting and instructions on how you can participate in and vote your shares of our Common Stock at the meeting are contained under the heading "*FREQUENTLY ASKED QUESTIONS ABOUT THE VIRTUAL ANNUAL MEETING.*"

#### Voting Securities

Our voting securities are the 3,238,120 shares of our Common Stock that were outstanding on the Record Date. We also have outstanding 102,019 shares of Class A Common Stock which are non-voting shares. Record holders of both our Common Stock and Class A Common Stock may participate in the virtual Annual Meeting, but you must have been a record holder of our Common Stock on the Record Date in order to vote in person or by proxy at the meeting.

You may cast one vote for each share of our Common Stock you held of record on the Record Date on each director to be elected and on each other matter voted on by shareholders at the Annual Meeting. However, in the voting for directors, if you or any other shareholder or proxyholder announces in open meeting, before the voting begins, that they intend to vote "cumulatively," then all record holders of our Common Stock will be entitled to cumulate their votes for directors. That means you could give any one nominee a number of votes equal to the number of shares of Common Stock you are entitled to vote multiplied by the number of directors to be elected or distribute that total number of votes among any two or more nominees. The proxy card accompanying this proxy statement gives the Proxies, or any substitutes appointed by them, the discretionary authority to vote the shares they represent cumulatively if that right is exercised by any shareholder or other proxyholder.

## Proposals and Voting Recommendations




At the Annual Meeting, record holders of our Common Stock will vote on the following proposals:

Proposal Number	Description	Votes Required for Approval	Voting Recommendation	Page
1	Election of nine directors	Plurality of votes cast in election	✓ VOTE "FOR" EACH NOMINEE	3
2	Ratification of appointment of independent accountants	Majority of votes cast	✓ VOTE "FOR" PROPOSAL 2	14

Record holders of our Common Stock also will vote on such other matters as may properly come before the meeting. Shares of our Class A Common Stock are non-voting shares and may not be voted on any matters at the meeting. Our Board of Directors currently knows of no matters that may be voted on at the Annual Meeting other than the matters listed above.

## Proxy Voting Methods

Record holders of our Common Stock may vote in the following ways. More detailed instructions for voting are contained in this proxy statement under the heading "FREQUENTLY ASKED QUESTIONS ABOUT THE VIRTUAL ANNUAL MEETING."

 <p><b>INTERNET</b> Visit <a href="https://iproxydirect.com/lumb">https://iproxydirect.com/lumb</a> and follow the instructions on your proxy card.</p>	 <p><b>MAIL</b> Mark, sign, and date your proxy card and mail it in the enclosed envelope.</p>	 <p><b>DURING THE MEETING</b> Vote online during the meeting by following the instructions on the virtual meeting platform.</p>
---	--	---

Even if you plan to participate remotely in the virtual Annual Meeting, to ensure that your shares will be represented at the meeting we encourage record holders of shares to vote their shares in advance online or by mail, and beneficial holders of shares held in "street name" to give their voting instructions in advance to their banks, brokers or other nominees.

## Proxy Statement Definitions

In this proxy statement, except where the context indicates otherwise:

- "you," "your," and similar terms refer to the shareholder receiving this proxy statement; and
- "the Bank," and "we," "us," "our," and similar terms refer to Lumbee Guaranty Bank.

## **PROPOSAL 1: ELECTION OF DIRECTORS**

### **General**

Our Bylaws provide that:

- our Board of Directors will consist of not less than seven nor more than ten members, and our Board is authorized to set and change the actual number of our directors from time to time within those limits; and
- subject to any limitations on service prescribed by the Board, our directors are elected each year at the annual meeting of shareholders for terms extending to the next Annual Meeting at which directors are elected, or until their deaths, resignations, retirements, removals, or disqualifications, or until their successors have been duly elected and qualified.

### **Nominees**

The number of our directors currently is set at nine and our nine current directors named below have been nominated by our Board for re-election as directors at the meeting for new one-year terms. If, before the Annual Meeting, any nominee becomes unable or unwilling to serve as a director for any reason, including without limitation death, resignation, withdrawal or removal, and if a substitute nominee is not named by our Board, the number of directors to be elected at the Annual Meeting, will be reduced accordingly.

Set forth below is information about the nine nominees and the qualifications, attributes, and skills that led our Board to nominate them for election.

***Our Board of Directors unanimously recommends that you vote "FOR" each of the nine nominees named below.***

***The nine nominees receiving the highest numbers of votes will be elected.***

#### **Larry T. Brooks**

**Age:** 78

**Director Since:** 1981

**Current Board Committee Service:**

- Executive Committee (Chair)
- Personnel Committee

#### **PRINCIPAL OCCUPATION**

- Retired principal and educator in Robeson County Schools
- Owner, Lela Anne's Learning Center (childcare facility)
- Owner, Brooks Brothers Construction Company

#### **KEY EXPERIENCE AND QUALIFICATIONS**

- **Visible and active community leader:** Served 36 years as a member of the Pembroke Town Council and as Mayor Pro Tempore.
- **Management and financial experience:** Served over 32 years in the Robeson County public education system, including 19 years as a school principal. Owns and operates a successful childcare facility and construction company. Manages an extensive portfolio of real estate investments and rental property.

#### **EDUCATION**

- M.A. School Administration, Appalachian State University
- B.S. University of North Carolina at Pembroke

## David E. Brooks

---

Age: 70

Director Since: 2021

**Current Board Committee Service:**

- Audit Committee

### PRINCIPAL OCCUPATION

- Veterinarian—Pembroke Veterinary Hospital
- North Carolina Veterinary Medical License Board, 1992-2002

### KEY EXPERIENCE AND QUALIFICATIONS

- **Visible and active community leader:** Extensive community and public leadership experience. Often called upon to be a keynote speaker at events, ceremonies and symposiums across the country.
- **Management and financial experience:** Owner of Pembroke Veterinary Hospital
- **Corporate governance expertise:** President, NC Veterinary Medical Board

### OTHER PROFESSIONAL EXPERIENCE AND COMMUNITY INVOLVEMENT

- Member, American Veterinary Medical Association
- Member, N.C. Association of Minority Veterinarians
- Member, Twin State Veterinary Medical Association
- Member, Robeson County Veterinary Association
- Distinguished Alumnus, Tuskegee Veterinary Medical Alumni Association (2012)

### EDUCATION

- Tuskegee University College of Veterinary Medicine, D.V.M.
- B.S., University of North Carolina at Pembroke

## Sybil J. Bullard

---

Chairman of the Board

Age: 66

Director Since: 1986

**Current Board Committee Service:**

- Audit Committee
- Executive Committee
- Personnel Committee

### PRINCIPAL OCCUPATION

- Vice President of Marketing, Southeastern Grain Company, LLC (grain elevator)

### KEY EXPERIENCE AND QUALIFICATIONS

- **Visible and active community leader:** Extensive community and public leadership experience including service on the Robeson County Crop Promotion Board and Congressman McIntyre's Agricultural Advisory Board.
- **Management and financial experience:** Completed Wachovia Bank and Trust's Corporate Training Program and served as an International Banking Officer with Wachovia. Successfully managed a family-owned grain elevator business.
- **Corporate governance expertise:** Service on boards of directors and board committees of not-for-profit entities and foundations.

### OTHER PROFESSIONAL EXPERIENCE AND COMMUNITY INVOLVEMENT

- Chairman, Scotland Health Care System Board of Trustees
- Former Chairman, Board of Trustees, University of North Carolina at Pembroke
- Former Chairman, North Carolina Indian Housing Authority
- Former Chairman, Robeson County Communities in Schools
- Member, ComTech Board of Directors
- Member, Native American Agriculture Fund Board of Trustees

### EDUCATION

- B.A. Economics, Davidson College

## Kyle R. Chavis

Chief Executive Officer

Age: 55

Director Since: 2023

Current Board Committee Service:

- Executive Committee

### PRINCIPAL OCCUPATION

- Chief Executive Officer, Lumbee Guaranty Bank

### KEY EXPERIENCE AND QUALIFICATIONS

- Strong leader with extensive management and financial experience:** Over 30 years of banking experience, including 24 years at Lumbee Guaranty Bank. Prior to his appointment as Chief Executive Officer, he served as Executive Vice President and Chief Credit Officer of the bank. Previous experience includes a variety of roles with Wachovia (now Wells Fargo) and Triangle Bank.
- Visible and active community leader:** Extensive community and public leadership experience. Serves on the Board of Directors of Community Bankers Bank, and both the Bank Education Committee and the Minority Bank Advisory Council for the Independent Community Bankers Association. Recently completed a three-year term on the Minority Depository Institutions Subcommittee of the FDIC's Advisory Committee on Community Banking.
- Corporate governance expertise:** Serves on boards of directors and board committees for not-for-profit entities.

### OTHER PROFESSIONAL EXPERIENCE AND COMMUNITY INVOLVEMENT

- Chairman, UNC Pembroke Foundation Board
- Member, Community Depository Advisory Council for Richmond Federal Reserve
- Member, Robeson Community College Board of Trustees
- Member, Robeson-Lumberton Kiwanis
- Member, Scotland Health Care System Finance Committee
- Past Member, Scotland Health Care System Board of Trustees
- Past Member, Board of Directors of the North Carolina Bankers Association

### EDUCATION

- MBA, University of North Carolina at Pembroke
- BA, North Carolina State University

## Redell Collins

Age: 88

Director Since: 1981

Current Board Committee Service:

- Audit Committee

### PRINCIPAL OCCUPATION

- Owner, Redell Collins Construction Company (commercial construction company)
- Owner, Collins Apartments (residential real estate)

### KEY EXPERIENCE AND QUALIFICATIONS

- Visible and active community leader:** Participated as a volunteer for United Way of Robeson County's Day of Caring and Lake Waccamaw Boys and Girls Home.
- Market expertise:** As a landlord, real estate developer and investor, and small business owner, is aware of the trends that affect the markets that we serve.
- Corporate governance expertise:** Service on boards of directors and board committees of not-for-profit entities and foundations.

### OTHER PROFESSIONAL EXPERIENCE AND COMMUNITY INVOLVEMENT

- Member, Rex-Rennert Jaycees
- Member, West Lumberton Kiwanis
- Director, North Carolina Indian Cultural Center

## Christopher G. Dixon

Age: 51

Director Since: 2020

Current Board Committee Service:

- Audit Committee (Chair)

### PRINCIPAL OCCUPATION

- Partner, Haigh, Byrd & Lambert, LLP (certified public accountants)

### KEY EXPERIENCE AND QUALIFICATIONS

- Member, American Institute of Certified Public Accountants and N.C. Association of Certified Public Accountants:
- Visiting Professor, Methodist College (2001)

### OTHER PROFESSIONAL EXPERIENCE AND COMMUNITY INVOLVEMENT

- Member, Kiwanis Club of Fayetteville
- Treasurer, Cape Fear Valley Health Foundation
- Past board member, Child Advocacy Center

### EDUCATION

- Masters of Accounting, North Carolina State University
- B.S. North Carolina State University

## Arnold Locklear

Vice Chairman of the Board

Age: 80

Director Since: 1976

Current Board Committee Service:

- Executive Committee
- Personnel Committee (Chair)

### PRINCIPAL OCCUPATION

- Retired
- Former Attorney Sole Practitioner
- Former Attorney and Senior Partner, Locklear, Jacobs, Hunt & Brooks (law firm)

### KEY EXPERIENCE AND QUALIFICATIONS

- **Extensive management experience:** Experienced attorney with over 48 years practicing law.
- **Corporate governance expertise:** Service on boards of directors and board committees of not-for-profit entities.

### OTHER PROFESSIONAL EXPERIENCE AND COMMUNITY INVOLVEMENT

- Member, North Carolina Bar Association
- Member, North Carolina Advocates for Justice
- Member, Robeson County Bar Association
- Member, Kiwanis of Pembroke

### EDUCATION

- J.D. North Carolina Central University School of Law
- B.A. University of North Carolina at Pembroke

## Derrick R. Staten, Sr.

Age: 79

Director Since: 2012

Current Board Committee Service:

- Executive Committee

### PRINCIPAL OCCUPATION

- Retired
- Former Senior Executive Vice President, Lumbee Guaranty Bank

### KEY EXPERIENCE AND QUALIFICATIONS

- **Extensive management and financial experience:** Over 40 years of banking experience. Graduate of North Carolina Bankers Association School of Banking.
- **Corporate governance expertise:** Prior service on boards of directors and board committees of not-for-profit entities.

### OTHER PROFESSIONAL EXPERIENCE AND COMMUNITY INVOLVEMENT

- Past President, St. Paul's Chamber of Commerce
- Past Chairman, Raeford-Hoke County Economic Development Commission
- Past Chairman, Robeson Schools Vocational Board

### EDUCATION

- B.A. North Carolina Central University

## James E. Thomas

Age: 79

Director Since: 1992

Current Board Committee Service:

- Audit Committee

### PRINCIPAL OCCUPATION

- Retired
- Former Telecommunications Technician, BellSouth

### KEY EXPERIENCE AND QUALIFICATIONS

- **Visible and active community leader:** Extensive community leadership experience including leadership positions with Lumbeaton Warriors Association, Disabled American Veterans and the Saddletree Volunteer Fire Department
- **Corporate governance expertise:** Prior service on boards of directors and board committees of not-for-profit entities and foundations.

### OTHER PROFESSIONAL EXPERIENCE AND COMMUNITY INVOLVEMENT

- Past Member, West Lumbeaton Kiwanis
- Former Director, Lumbee Regional Development Association
- Past Member, Robeson Community College Board of Trustees
- Past Member, North Carolina Commission of Indian Affairs
- Past Member, Saddletree Jaycees
- Past Member, West Lumbeaton Kiwanis

### EDUCATION

- A.A. Agriculture Science, Robeson Community College

## Director Independence

Our Common Stock is traded in the over-the-counter market and quoted on the OTCQX System (the "OTCQX"). In order for us to continue to qualify for admission to the OTCQX System, our Board of Directors must include a minimum of two directors who are "independent" and a majority of the members of the Audit Committee of our Board must be independent directors. The OTCQX Rules for U.S. Banks provide criteria for director independence for purposes of continued admission. Generally, an independent director is one who is free from relationships or other factors that might impair his or her ability to exercise independent judgment in carrying out his or her duties as a director. We believe that eight of our nine current directors, and all members of our Audit Committee, are independent directors under the OTCQX criteria. The following table lists our current directors who, if re-elected, our Board believes will be independent directors under the OTCQX criteria.

Larry T. Brooks	Christopher C. Dixon
David E. Brooks	Arnold Locklear
Sybil J. Bullard	Derrick R. Staten, Sr.
Redell Collins	James E. Thomas

Kyle R. Chavis, our Chief Executive Officer, is not considered to be independent under the OTCQX criteria because he is a full-time employee.

## Board Leadership Structure

Our Board performs its oversight role through various committees whose members are appointed by the Board. Our Board annually elects a Chairman whose duties are described in our Bylaws. Our current Chairman, Sybil J. Bullard, is considered an independent director under the OTCQX criteria. In the future, our Board may select any of its members as its Chairman, and it has no policy as to the status of our Chairman as an independent director. Our Chairman is charged with setting the agenda for meetings of our Board of Directors and presiding over those meetings. However, as described below under "*COMMITTEES OF OUR BOARD OF DIRECTORS*," matters pertaining to executive compensation, the selection and supervision of our independent accountants, and oversight of our internal control over financial reporting, are subject to the review and recommendation of independent Board committees, and the entire Board of Directors participates in the selection of nominees for election as our directors. Our Board believes our leadership structure is appropriate for a company of our size, complexity and location, without regard to whether our Chairman is an independent director.

## Board's Role in Risk Management

Risk is inherent in any business. We are subject to extensive regulation specific to the banking industry that requires us to assess and manage the risks we face, and during their periodic examinations our banking regulators assess our and our Board's performance in that regard. Our Board strives to ensure that risk management is a part of our business culture and that our policies and procedures for identifying, assessing, measuring, monitoring and managing risk are part of the decision-making process. As is the case with other management functions, our senior management has primary responsibility for day-to-day management of the risks we face.

Our Board administers its oversight function primarily through a number of committees. Those committees include our Examining/Audit Committee (referred to herein as our "Audit Committee"), Personnel Committee, and Executive Committee. We also have an Asset/Liability Committee that includes members of our management and Board. Our Board of Directors carries out its risk management function primarily through the Audit Committee, Personnel Committee, and Asset/Liability Committee.

We believe our regulatory environment and our committee structure results in our Board being more active in risk management oversight than the boards of corporations that are not, or that are not regulated as extensively as, financial institutions. The involvement of our committees in the Board's oversight function enhances our Board's effectiveness and leadership structure by providing opportunities for outside directors to become more familiar with our critical operations and more engaged in the Board's activities with respect to risk management.

## **Attendance by Directors at Meetings**

**Board of Directors Meetings.** Our Board of Directors met 12 times during 2023. During 2023, each of our directors attended at least 75% of the meetings held by our Board.

**Annual Meetings.** Attendance by our directors at Annual Meetings of our shareholders gives directors an opportunity to hear the concerns expressed in questions submitted by shareholders who participate in those meetings. Our Board of Directors recognizes that our outside directors have their own business interests and are not our employees, and that it is not always possible for them to attend Annual Meetings. However, our Board believes that attendance by directors at our Annual Meetings is beneficial to us and to our shareholders. As a result, our directors are strongly encouraged to attend each Annual Meeting whenever possible. Each of our nine then-current directors participated in our last Annual Meeting which was held virtually during May 2023.

## **Communications with Our Board**

Our Board of Directors encourages our shareholders to communicate with it regarding their concerns and other matters related to our business. While our Board has not established a written policy for shareholder communications, you may mail your communications to our Board addressed as follows:

Board of Directors  
Attention: Corporate Secretary  
Lumbee Guaranty Bank  
Post Office Box 908  
Pembroke, North Carolina 28372

You should indicate in an "Attention" line whether your communication is directed to the entire Board of Directors, to a particular committee of the Board or its Chairman, or to one or more individual directors. We will forward your communication on to the Chairman or, if the communication is directed to an individual director or Board committee, to that director or to the Chairman of that committee. We do not screen communications directed to our Board or individual directors.

## **Code of Ethical Conduct**

Our Board of Directors has adopted a Code of Ethical Conduct (the "Code of Ethics") that applies to our directors and all of our officers and employees, and a separate Financial Officers Code of Ethics that applies to our CEO, President, Controller and other officers with duties and responsibilities within our financial reporting and accounting functions. Both Codes are intended to promote:

- honest and ethical conduct;
- the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- compliance with applicable governmental laws, rules and regulations;
- prompt internal reporting of violations of the Codes of Ethics to the Board's Audit Committee; and
- accountability for adherence to the Codes of Ethics.

## **COMMITTEES OF OUR BOARD OF DIRECTORS**

### **General**

Our Board of Directors administers its oversight function primarily through committees that assist the Board in oversight and governance matters. They are the Audit Committee and the Personnel Committee (which acts as the Board's compensation committee). In addition, the Board has an Executive Committee, and members of the Board serve as members of our management Asset/Liability Committee. The entire Board of Directors selects nominees for election as directors and members of Board committees and, as a result, it acts as our nominating committee.

Each committee member may rely on the advice, expertise, and integrity of persons (including our officers and employees) and organizations that provide information to the committee, and the accuracy and completeness of the financial and other information provided to the committee, absent actual knowledge that such reliance is not reasonable or warranted. In the performance of each committee's responsibilities, each committee member (and the committee as a whole) is under a continuing duty to exercise independent judgment on an informed basis, in good faith, and in a manner each considers to be in our best interest.

The current members of each of the Executive Committee, Audit Committee and Personnel Committee, and the function of and other information about those Committees and the nominations and asset/liability management process, is described in the paragraphs below.

### Executive Committee

<b>Larry T. Brooks</b> Chairman Committee Meetings in 2023: 12	<b>Other Committee Members</b> Sybil J. Bullard, Kyle R. Chavis, Arnold Locklear, and Derrick Staten, Sr.
--	--

Under North Carolina banking law, our Board of Directors is required to have an executive committee that meets as often as required by the Board, but at least once during each month in which the full Board does not meet. Under our Bylaws, the Executive Committee is authorized to exercise all the powers of the Board in the management of our affairs when the Board is not in session, subject to certain statutory limitations and the ability of the full Board to limit the Committee's authority. With the exception of Mr. Chavis, each member of the Executive Committee is an independent director under the OTCQX independence criteria.

### Audit Committee

<b>Christopher G. Dixon</b> Chairman Committee Meetings in 2023: 11	<b>Other Committee Members</b> David E. Brooks, Sybil J. Bullard, Redell Collins, and James E. Thomas
---	--

Under its charter, and among its other duties and responsibilities, our Audit Committee is responsible for:

- appointing our independent accountants;
- approving services proposed to be provided by our independent accountants;
- supervising the activities of our independent accountants; and
- monitoring and overseeing the quality and integrity of our accounting and financial reporting process and system of internal controls.

The Committee reviews various reports by our independent accountants (including its reports on our audited financial statements) and reports of examinations by regulatory agencies, and it appoints the separate public accounting firm that acts as our internal auditor and oversees our internal audit program. Each member of the Audit Committee is an independent director under the OTCQX independence criteria.

Our management is responsible for our financial reporting process, including our system of internal controls and disclosure controls and procedures, and for the preparation of our financial statements in accordance with accounting principles generally accepted in the United States of America. Our independent accountants are responsible for auditing those financial statements. The Audit Committee oversees and reviews those processes. In connection with the preparation and audit of our financial statements for 2023, the Audit Committee has:

- reviewed and discussed our audited financial statements for 2023 with our management;
- discussed with our independent accountants the matters required to be discussed by the applicable requirements of the American Institution of Certified Public Accountants; and
- discussed the independence of our independent accountants with the accountants.

Based on the above reviews and discussions, the Committee recommended to our Board of Directors that it approve our audited financial statements for 2023.

### Personnel Committee

**Arnold Locklear**  
Chairman

**Committee Meetings in 2023: 2**

**Other Committee Members:**

**Larry T. Brooks and Sybil J. Bullard**

The Personnel Committee is made up entirely of directors who are independent under the OTCQX independence criteria and acts as our Board's compensation committee. The Committee does not have a written charter outlining its processes. In addition to other duties that may be assigned from time to time by our Board, the Committee reviews and provides overall guidance to the Board regarding our executive compensation and benefit programs, and it makes recommendations to the Board regarding:

- cash and other compensation paid or provided to our Chief Executive Officer; and
- the adoption of new compensation or benefit plans, or changes in existing plans, under which compensation or benefits are or will be paid or provided to our officers and employees.

The Committee is responsible for administering our 2018 Employee Stock Option Plan and it reviews and makes recommendations to the Board regarding amounts of compensation paid to our directors and, to the extent requested by the Board, compensation paid (individually or in the aggregate) to our other employees. After receiving the Committee's recommendations, the Board makes all final decisions regarding compensation matters.

The Committee may retain the services of outside consultants at our expense and on terms (including fees) that it approves. Since 2013, the Bank has retained the services of Pearl Meyer & Partners, LLC ("Pearl Meyer"), a compensation and benefits consulting firm, to work with and make recommendations to the Committee regarding appropriate levels and elements of compensation for executive officers, other employees and directors. Other than in a consulting and advisory capacity, Pearl Meyer has no role in the Committee's compensation decisions or recommendations made by the Committee to the Board.

Pearl Meyer serves as the Personnel Committee's independent consultant and from time-to-time provides advice to us on employee benefit and other compensation matters. In the future, the Committee will review its engagement of Pearl Meyer each year and the Committee may, if it chooses, request and consider proposals from other consulting firms and/or engage different consultants at any time.

### **Asset/Liability Committee**

The Asset/Liability Committee is a management committee that includes members of our Board and management and is responsible for oversight of interest rate risks in our loan and securities portfolios and our investment in bank-owned life insurance policies. The Committee meets quarterly to review and monitor our performance and interest rate risk, including risks to our earnings, liquidity and economic performance.

### **Nominating Committee**

Our Board of Directors does not have a separate nominating committee. The full Board identifies individuals who are qualified to become directors and selects nominees for election as directors at our Annual Meetings and for appointment to fill vacancies on the Board. We do not have a written charter outlining the Board's nominations processes.

The Board seeks to identify candidates who have personal and professional integrity, sound judgment, business acumen and the time, ability, and commitment to make a constructive and meaningful contribution to the Board, and who, with other directors, will effectively serve the long-term interests of our shareholders. Candidates also must satisfy applicable requirements of state and federal laws, rules, and regulations (including banking regulations) for service as our directors. From time to time, the Board may develop other criteria or minimum qualifications for use in identifying and evaluating candidates to serve as directors. In identifying candidates, the Board considers incumbent directors as well as candidates who may be suggested by our management, other directors, or shareholders. The Board has not used the services of a third-party search firm.

For 2023, the Board selected our current directors listed above under "*PROPOSAL 1: ELECTION OF DIRECTORS – Nominees*" to be nominated for re-election for new terms of office.

## **EXECUTIVE OFFICERS**

We consider the officers listed below to be our current executive officers. Each officer serves at the pleasure of our Board of Directors until his removal, resignation, retirement, death, or disqualification, or until his successor is duly elected and qualified.

**Kyle R. Chavis**, age 55, was appointed to serve on our Board of Directors in January 2023 and as our Chief Executive Officer during February 2017. Mr. Chavis served as our Executive Vice President and Chief Credit Officer from May 2012 until his promotion. Previously, he served as our Assistant Vice President and Business Development Officer from 1999 to 2000, as our Vice President and City Executive from 2000 to 2004, as our Senior Vice President and Regional Executive from 2004 to 2009 and as our Executive Vice President and Credit Administrator from 2009 to 2012. He has been employed by us since 1999.

**Bryan K. Maynor**, age 60, was appointed to serve as our President and Chief Operating Officer during February 2017. Mr. Maynor served as our Executive Vice President and Chief Operating Officer from May 2012 until his promotion. Previously, he served as our Regional Executive from 2001 to 2009, as our Senior Vice President and Branch Administrator from 2009 to 2011, and as our Executive Vice President and Branch Administrator from 2011 to 2012. He has been employed by us since 1999.

**James W. Gore**, age 62, was appointed to serve as our Chief Credit Officer during December 2019. Mr. Gore served as our Regional Executive of Robeson County until his promotion and was first employed by us in 2013 as a commercial lender and business development officer. Before joining us, he was employed by another bank and has a total of approximately 38 years of banking experience.

## **DIRECTOR COMPENSATION**

### **General**

The following table describes our standard schedule of fees paid to each member of our Board of Directors for their services as directors during 2023.

<b>Description (1)</b>	<b>Amount</b>
Fee paid to directors for each regularly scheduled Board meeting held.....	\$ 800
Additional fee paid to our Chairman for each Board meeting held.....	1,600
Fee paid to committee members for each Board committee meeting held and to each director for each specially called Board meeting.....	400

(1) Our directors are paid fees for each Board and committee meeting held, regardless of their attendance.

### **Director Compensation for 2023**

The following table summarizes the cash compensation paid to our directors for their services during 2023.

#### **DIRECTOR COMPENSATION FOR 2023**

<b>Name</b>	<b>Fees Earned or Paid in Cash (1)</b>	<b>All Other Compensation</b>	<b>Total</b>
Larry T. Brooks .....	\$ 22,300	—	\$ 22,300
David E. Brooks .....	19,800	—	19,800
Sybil J. Bullard .....	37,150	—	37,150
Kyle R. Chavis .....	15,550	—	15,550
Redell Collins.....	19,800	—	19,800
Christopher G. Dixon .....	22,400	—	22,400
Arnold Locklear.....	23,800	—	23,800
Derrick R. Staten, Sr.....	19,800	10,526 (2)	30,326
James E. Thomas.....	19,800	—	19,800

- (1) With the exception of Mr. Kyle Chavis, during the Board retreat, directors were paid \$450 per diem and \$85 for mileage.  
(2) During 2012, Mr. Staten retired from active employment as our Senior Executive Vice President. In addition to benefits he receives under our defined benefit pension plan, following his retirement Mr. Staten began receiving payments of \$833 per month under an Executive Salary Continuation Agreement entered into during his employment.

We maintain a nonqualified deferred compensation plan under which our directors may elect each year, in advance, to defer receipt of all or a portion of their fees until they retire from their service as directors. All amounts deferred by directors are held by an independent trustee in individual accounts for them. We do not make any contributions to, or pay any interest or other amount or guarantee any rate of return on, the directors' accounts. The trustee invests deferred amounts, as directed by the individual directors, in any one or a combination of investment funds available under the arrangement. None of our directors deferred any part of their fees under the plan for 2023. However, the trustee holds and invests funds for certain of our directors representing fees they deferred in previous years.

### Director Life Insurance

During 2023, we held life insurance policies on the lives of certain of our non-employee directors and we have entered into an Endorsement Method Split-Dollar Agreement with each of the insured directors. Under the terms of the agreements, upon the death of a director, an amount equal to the lesser of the "net at risk insurance portion" of the death proceeds of the policy on his or her life or \$25,000 will be paid to the director's designated beneficiary or estate. The net at risk insurance portion of the proceeds of a policy is equal to the total death proceeds less the cash value of the policy. We will receive the remainder of the death benefits under each policy, including the full cash value. We paid a single, lump-sum premium on each of those policies at the time of purchase, and no premiums were paid during 2023.

## ***TRANSACTIONS WITH RELATED PERSONS***

We have had, and expect to have in the future, banking transactions in the ordinary course of our business with certain of our current directors, nominees for director, executive officers, principal shareholders and our other related persons. All loans included in those transactions during 2023 were made in the ordinary course of our business on substantially the same terms, including interest rates, repayment terms and collateral, as those prevailing at the time the loans were made for comparable transactions with persons not related to us, and those loans did not involve more than the normal risk of collectability or present other unfavorable features.

The following table shows, for all our directors, executive officers, and their associates, as a group, the highest aggregate outstanding amount of their extensions of credit since January 1, 2023, the aggregate outstanding amount of their extensions of credit as of February 29, 2024, and the relationship of those aggregate outstanding amounts to our then current equity capital accounts.

<u>Name of director or group</u>	<u>Highest aggregate amount since January 1, 2023</u>	<u>Percentage of equity capital (1)</u>	<u>Aggregate amount on February 29, 2024</u>	<u>Percentage of equity capital (1)</u>
All directors, executive officers and their associates as a group.....	\$947,757	2.59%	\$549,566	1.33%

(1) Percentages are calculated based on our equity capital accounts as of the last day of the month preceding the month during which the aggregate amount existed.

## **BENEFICIAL OWNERSHIP OF OUR COMMON STOCK**

The following table describes the beneficial ownership of our Common Stock on the Record Date by our current directors, nominees for election as directors, and executive officers, individually, and by all of our current directors and executive officers as a group. Our directors and executive officers own insignificant numbers of shares of our Class A Common Stock. For purposes of the table, we consider a director or executive officer to "beneficially own" shares held in his or her name, or in the name of any other person or entity if the director or officer either directly, or indirectly through some agreement, arrangement, understanding, or relationship, has or shares the right to vote or dispose of the shares, or to direct the voting or disposition of the shares. As a result, the same shares may be "beneficially owned" by more than one person. As described in footnotes to the table, portions of the shares listed as beneficially owned by certain of the directors and executive officers in the table also are listed as beneficially owned by others named in the table. However, those shares are only counted once in the total number of shares beneficially owned by all directors and executive officers as a group. With the exception of Mr. L. Brooks and Mr. Locklear, who are named in the table, we are not aware of anyone who owned, beneficially or of record, 5% or more of our outstanding shares of Common Stock or Class A Common Stock on the Record Date for the Annual Meeting.

<b>Name of Beneficial Owner</b>	<b>Common Stock</b>	
	<b>Amount and Nature of Beneficial Ownership (1)</b>	<b>Percent of Class (2)</b>
Larry T. Brooks .....	174,734	5.40%
David E. Brooks .....	69,110	2.13%
Sybil J. Bullard .....	121,009	3.74%
Kyle R. Chavis .....	79,683 (3)	2.46%
Redell Collins .....	25,993	0.80%
Christopher G. Dixon .....	2,500	0.08%
James W. Gore .....	1,561	0.05%
Arnold Locklear (3) .....	240,852 (3)	7.44%
Bryan K. Maynor .....	12,506	0.39%
Derrick R. Staten, Sr. ....	1,000	0.03%
James E. Thomas .....	45,703	1.41%
All current directors and executive officers as a group (11 individuals) .....	697,268	21.53%

- (1) Except as otherwise noted, and to the best of our knowledge, the individuals named and included in the group exercise sole voting and investment power with respect to all shares shown as beneficially owned. The individuals named and included in the group may be considered to have shared voting and investment power with respect to certain of the listed shares that are held by, for or jointly with their family members, or by companies that they may be considered to control, as follows: Mr. L. Brooks – 114,466 shares; Mr. D. Brooks — 69,110 shares; Ms. Bullard – 5,737 shares; Mr. Collins – 1,000 shares; Mr. Locklear – 152,002 shares; Mr. B. Maynor – 1,008 shares; Mr. Thomas – 2,047 shares; and all persons included in the group – 345,370 shares. As described in Footnote 3 below, Mr. Chavis and Mr. Locklear have shared voting power only with respect to 77,383 shares.
- (2) Percentages are calculated based on total outstanding shares of Common Stock.
- (3) Includes 77,383 shares of our Common Stock held for the accounts of all employees under the ESOP. Mr. Chavis and Mr. Locklear serve as co-trustees of that plan and, as such, have shared voting power with respect to all shares held by the plan.

## **PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT ACCOUNTANTS**

***Our Board of Directors unanimously recommends that you vote “FOR” Proposal 2.***

Our Audit Committee has selected our current independent accountants, Elliott Davis PLLC, to serve as our independent accountants for 2024.

The Audit Committee's charter gives it the responsibility and authority to select and appoint our independent accountants and to approve their fees and the terms of their engagement under which they provide services to us. Our shareholders are not required by our Bylaws or the law to ratify the Committee's selection. However, we will submit a proposal for shareholders to ratify the appointment of Elliott Davis PLLC at the Annual Meeting to allow shareholders to be heard in the selection process. The outcome of the voting on the proposal will not be binding on the Committee. If our shareholders do not ratify the Committee's selection, the Committee will reconsider its decision, but it could choose to reaffirm

its appointment of Elliott Davis PLLC. If our shareholders ratify the Committee's selection, the Committee could, in its discretion, appoint different independent accountants during the year if it determines that such a change would be in our best interest.

The Audit Committee believes that Elliott Davis PLLC is independent and that it is in our and our shareholders' best interest to retain Elliott Davis PLLC as our independent accountants for 2024. Elliott Davis PLLC has served as our independent accountants since 2013.

Under its current procedures, our Audit Committee specifically pre-approves all audit services and other services provided by our accountants. The Committee generally reports to our full Board on audit and other services provided at the next regularly scheduled meeting of the Board.

***Our Board of Directors unanimously recommends that you vote "FOR" ratification of the appointment of our independent accountants.***

***To be approved, the number of votes cast in person or by proxy at the Annual Meeting in favor of ratification of the appointment of our independent accountants must exceed the number of votes cast against the proposal.***

## ***FREQUENTLY ASKED QUESTIONS ABOUT THE VIRTUAL ANNUAL MEETING***

The following are some questions that you, as a shareholder, may have regarding the Annual Meeting, and brief answers to those questions. We urge you to carefully read the entire proxy statement because the information in these questions and answers does not provide all of the information that will be important to you with respect to the Annual Meeting and proposals to be voted on at the meeting.

**Q. Where will the Annual Meeting be held?**

**A.** We are holding the Annual Meeting in a virtual format in order to provide convenient access to the meeting for all our shareholders. There will be no physical meeting location for shareholders to attend. The only way to attend the Annual Meeting will be via the Internet.

The virtual meeting platform is designed such that record holders of our Common Stock and Class A Common Stock will be afforded the same rights and opportunities to participate as they would have at an in-person meeting. Record holders of both classes of our stock will be able to attend the meeting online, listen to the proceedings *via* live audio webcast, and submit written questions during the meeting, and holders of our Common Stock will be able to vote shares they hold of record electronically on the meeting website. Holders of our Class A Common Stock may not vote at the Annual Meeting since shares of that stock are non-voting shares.

**Q. How can I participate in the virtual Annual Meeting?**

**A.** To participate in the Annual Meeting remotely, go to <https://agm.issuereirect.com/lumb> at the time of the meeting and log-in by entering your name and email address and your unique eight-digit "Control ID" number. If you are a record holder of Common Stock, your Control ID is printed on the proxy card you received with this proxy statement. The Control ID number is on the portion of your proxy card that you retain. If you are a record holder of Class A Common Stock, your Control Number is printed on the name and address insert included in the envelope you received containing our proxy statement.

Record holders of our Common Stock who participate in the Annual Meeting remotely will be considered to be present, and shares they hold of record to be represented, "in person" at the meeting. During the Annual Meeting, you may listen to the proceedings, submit written questions, and vote your shares held of record. A list of holders of record of our Common Stock on the April 10, 2024 Record Date for the Annual Meeting will be available on the meeting website during the meeting.

The Annual Meeting will begin at 1:00 p.m. EDT on the meeting date. However, you may begin to log in to the meeting website at 12:45 p.m. and we encourage you to do that. The virtual meeting platform will be supported across most

Internet browsers and devices (including desktop and laptop computers, tablets and smart phones) running updated versions of applicable software and plugins.

**Q: What do I do if I no longer have my Control ID?**

**A:** If you are a record holder of shares and wish to participate in the Annual Meeting but no longer have your Control ID number, you may obtain your Control ID by calling our Corporate Secretary, Janet Newton, at (910) 522-5830 for assistance.

**Q: Will there be help available if I have trouble logging in to the Annual Meeting website?**

**A:** Yes. If you have trouble accessing the meeting website while trying to login or during the meeting, help and technical support will be available on the day of the meeting by calling 844-399-3386 or 919-744-2718.

**Q: Will I be able to ask questions during the virtual Annual Meeting?**

**A:** Yes. You may submit written questions during the meeting by clicking on the "Ask Question" link on the meeting website and typing your question in the box. We will try to answer all questions, subject to time constraints. If we receive substantially similar questions, we may group them together and provide a single response to avoid repetition. Also, we reserve the right to edit inappropriate language and to exclude questions that are personal matters, not pertinent to meeting matters, do not comply with the meeting rules of conduct or otherwise are inappropriate.

**Q: How can I vote at the Annual Meeting?**

**A: Record Holders.** You are a record holder if your shares of our Common Stock are registered in your name on our stock records (either in certificated or uncertificated book entry form). You can vote your shares in any of the following ways.

Voting Methods	Record Holder
In Person During the Meeting	You can participate in the virtual Annual Meeting remotely by clicking the "Vote My Shares" link on the website, entering both your "Control ID" and "Request ID" numbers printed on your proxy card and then following the instructions on the meeting website to vote your shares during the meeting. You may vote on the meeting website up until the closing of the voting polls is announced during the meeting.
	Before the meeting, you can appoint Kyle R. Chavis, Derrick R. Staten, Sr., and Janet G. Newton or any substitutes appointed by them, individually and as a group, in either of the ways described below to act as your "Proxies" to vote your shares for you at the meeting.
By Proxy	<p><b>In Writing.</b> Mark your voting instructions on the proxy card enclosed with this proxy statement, sign date, and return it in the enclosed pre-addressed envelope.</p> <p><b>By Internet.</b> Before 11:59 p.m. EDT on May 28, 2024, (the day before the Annual Meeting), log on to the Internet voting website <a href="https://www.iproxydirect.com/lumb">https://www.iproxydirect.com/lumb</a>. Have your enclosed proxy card in hand when you access the website. When you are prompted for your Control ID and your Request ID enter those numbers that are printed on your proxy card, and then follow the instructions you will be given to instruct the Proxies on how to vote your shares.</p>

If you are the record holder of shares of our Common Stock in different forms of your name, then you should have received two or more proxy cards, each containing unique Control ID and Request ID numbers for the shares represented by that proxy card. If you wish to appoint the Proxies to vote all of your shares, you will need to mark, sign and return **all** proxy cards you received or appoint the Proxies by Internet separately for shares represented by each card. Or, if you participate in the Annual Meeting remotely and want to vote your shares on the meeting website, you will need to vote shares represented by each card using the separate Control ID and Request ID numbers printed on the proxy card for each form of your name.

If you appoint the Proxies by Internet, you need not sign and return a proxy card. You will be appointing the Proxies to vote your shares on the same terms and with the same authority as if you marked, signed and returned a proxy card.

Whether you return a proxy card or appoint the Proxies by Internet, the authority you will be giving the Proxies is described below and in the proxy card enclosed with this proxy statement. Even if you plan to participate in the virtual Annual Meeting, we ask that you mark your proxy card to indicate how your shares should be voted, sign, and date it, and return it in the enclosed envelope, or follow the instructions above for appointing the Proxies and giving your voting instructions by Internet. Doing that will ensure that your shares will be represented and voted at the meeting.

**Street Name Holders.** You are a "street name" holder if your shares are held for you in an account at a brokerage firm, bank, custodian, or other similar nominee. Only the record holders of shares of our Common Stock or their appointed proxies may vote those shares and your brokerage firm, bank or other similar nominee is considered the record holder of shares it holds for you and must vote them for you, or appoint the proxies to vote them for you, at the Annual Meeting. As a result, for your shares to be voted, you will need to give instructions to your brokerage firm, bank, custodian, or other nominee on how you want it to vote the shares it holds for you.

Voting Methods	Street Name Holder
Mail	Follow the directions contained in the voting instruction form your broker or nominee sends you with this proxy statement and give it instructions as to how it should vote your shares by marking and returning to it the voting instruction form.
Internet	Follow the directions contained in the voting instruction form your broker or nominee sends you with this proxy statement and give it instructions by Internet as to how it should vote your shares.

If you hold shares in more than one brokerage or nominee account, each of your brokers or nominees will have sent you a separate voting instruction form for shares in your account that it holds. If you wish to give your brokers or nominees voting instructions before the meeting for all shares they hold for you, you should mark **all** voting instruction forms you received and return them to your brokers or nominees.

Applicable rules generally permit brokers, banks and other financial intermediaries to use their discretion to vote shares they hold for their customers on "routine matters," such as proposals to ratify the appointment of independent accountants, when no voting instructions are received from beneficial owners of the shares. However, those rules prohibit brokers, banks, and other financial intermediaries from voting their customers' shares on matters designated by the rules as "non-routine" unless the beneficial owners of the shares provide voting instructions. As a result, if your shares are held by a broker, bank, or other financial intermediary, and you do not provide it with your voting instructions, it may still vote your shares at the Annual Meeting at its discretion on Proposal 2 to ratify the appointment of our independent accountants. However, your broker, bank, or other financial intermediary may not vote your shares at the Annual Meeting in the election of directors unless you provide it with voting instructions. To ensure that your shares held by a broker, bank, or other financial intermediary are represented at the Annual Meeting and voted in the manner you desire, it is important that you instruct it as to how it should vote your shares.

**Q: Who is soliciting proxies, and who is paying solicitation expenses?**

**A:** Our Board of Directors is asking you to appoint the Proxies to vote your shares at the Annual Meeting. In addition to solicitation by mail, our directors, officers, and employees may solicit proxy appointments personally or by telephone, electronic mail, or other methods of communication, but they will not receive any additional compensation from us for doing so.

We will pay all costs of our solicitation of proxy appointments for the Annual Meeting, including costs of preparing and mailing this proxy statement and expenses associated with Internet voting facilities. We are requesting banks, brokers, custodians, and other nominees and fiduciaries to forward copies of our proxy solicitation materials to the beneficial holders of the shares they hold and request the beneficial holders' voting instructions, and we will reimburse them for their expenses in doing so.

**Q: What authority will the Proxies have, and how will they be voted at the Annual Meeting?**

- A:**
- If you sign a proxy card and return it so that we receive it before the Annual Meeting, or you appoint the Proxies by Internet, you will be appointing the Proxies to vote your shares for you, and the Proxies will vote, or abstain from voting, according to the instructions you give them.
  - If you sign and return a proxy card, or appoint the Proxies by Internet, but do not give voting instructions on a particular proposal, then the Proxies will be authorized to vote your shares "FOR" the election of each of the nominees for director named in Proposal 1 and "FOR" Proposal 2.
  - If any shareholder announces during the meeting an intention to vote his or her shares cumulatively in the election of directors, the Proxies will be authorized, in their discretion, to vote the shares represented by your appointment of proxy on a cumulative basis (*i.e.*, other than equally for each of the nominees named and for fewer than all such nominees), but, in such event, the Proxies will cast the votes represented by all shares for which they have received proxy cards in a manner that would tend to elect the greatest number of those nominees as the total number of votes cast by them for all shareholders would permit.
  - If before the Annual Meeting any nominee named in Proposal 1 becomes unable or unwilling to serve as a director for any reason, including without limitation death, resignation, withdrawal of his or her nomination, or removal, your proxy card or Internet voting instructions will give the Proxies discretion to vote your shares for a substitute nominee named by our Board of Directors. If no substitute is named by our Board of Directors, then the number of directors to be elected at the Annual Meeting will be reduced accordingly.
  - We are not aware of any business that will be brought before the Annual Meeting other than the election of directors and Proposal 2 described in this proxy statement. However, if any other matter is properly presented for action by our shareholders, your proxy card or Internet voting instructions will authorize the Proxies to vote your shares according to their best judgment. The Proxies also will be authorized to vote your shares according to their best judgment on matters incident to the conduct of the meeting, including motions to adjourn the meeting.
  - If you are the record holder of your shares and you do not return a proxy card or appoint the Proxies by Internet, the Proxies will not have authority to vote for you and your shares will not be represented or voted at the Annual Meeting unless you participate in the meeting remotely and vote your shares on the meeting website or validly appoint another person to vote your shares for you. Similarly, if your shares are held in street name by a broker or other financial intermediary (such as a bank or custodian) and you do not provide it with voting instructions, it may use its discretion to vote your shares at the Annual Meeting on Proposal 2, but it may not vote your shares on "non-routine" matters including the election of our directors, unless you give it voting instructions by marking and returning to it the voting instruction form you received (or following its instructions to give your voting instructions by Internet), or by participating in the meeting remotely and giving your voting instructions on the meeting website.

**Q: How can I change or revoke my voting instructions after I appoint the Proxies by proxy card or Internet, or after I give voting instructions to my broker or nominee?**

- A: *Record Holders.*** If you are the record holder of your shares and you sign and return a proxy card or appoint the Proxies by Internet, and you later wish to change the voting instructions or revoke the authority you gave the Proxies, you can do so by taking the appropriate action described below.

To change the voting instructions you gave the Proxies, whether by returning a proxy card or appointing the Proxies by Internet, you can:

- before the Annual Meeting, sign a new proxy card dated after the date of your original proxy card, or after you appointed the Proxies by Internet, which contains your new voting instructions, and submit it to our proxy tabulator, Issuer Direct, at 1 Glenwood Avenue, Suite 1001, Raleigh, North Carolina, 27603, or deliver it to our Corporate Secretary, Janet Newton, at our offices at 403 East Third Street, Pembroke, North Carolina 28372, before the Annual Meeting, so that your new proxy card is received before the voting takes place at the Annual Meeting; or
- before 11:59 p.m. EDT on May 28, 2024 (the day before the Annual Meeting), go to the same Internet voting website (<https://www.iproxydirect.com/lumb>) you used to appoint the Proxies by Internet, enter your "Control ID" and "Request ID" (printed on your enclosed proxy card), and give your new voting instructions.

Whether you return a proxy card or appoint the Proxies by Internet, the Proxies will follow the last voting instructions received from you before the voting takes place at the Annual Meeting.

To revoke your proxy card or your appointment of the Proxies by Internet, you can:

- before the voting takes place at the Annual Meeting, give written notice to Issuer Direct at its address listed above, or to our Corporate Secretary, Janet Newton, at our address listed above, that you want to revoke your proxy card or Internet appointment; or
- participate in the Annual Meeting and vote your shares on the meeting website. Simply participating in the Annual Meeting will not revoke your proxy card or Internet appointment unless you also vote your shares during the meeting on the meeting website.

**Street Name Holders.** If your shares are held in street name and you want to change or revoke voting instructions you have given to your broker or other nominee you must contact your broker or nominee and follow its directions.

**Q: How can I obtain another proxy card or voting instruction form?**

**A:** If you have lost your proxy card, or after returning it you want to change your voting instructions, you may obtain another proxy card by calling Issuer Direct at (919) 481-4000. To receive another copy of the voting instruction form you received from your broker or other nominee, you must call that broker or nominee.

**Q: What is required in order to have a quorum for the virtual Annual Meeting?**

**A:** A quorum must be present for business to be conducted at the Annual Meeting. For all matters to be voted on at the meeting, a quorum will consist of shares of our Common Stock present, in person or by proxy, representing a majority of votes entitled to be cast by holders of all outstanding shares of our Common Stock that may be voted at the meeting.

Proposal	Quorum Requirement
Proposals 1 and 2	Majority of the votes entitled to be cast by holders of outstanding shares of our Common Stock.

Shares of our Common Stock represented by proxy at the Annual Meeting or held by record holders who participate in the meeting remotely, will be counted for the purpose of determining whether a quorum exists. Once a share is represented for any purpose at the meeting, it will be treated as present for quorum purposes for the remainder of the meeting and for any adjournments. If you are a record holder and you return a valid proxy card, appoint the Proxies by Internet or participate in the meeting remotely, your shares will be counted as present for purposes of determining whether there is a quorum, even if you abstain or instruct the Proxies to abstain from voting on one or more matters voted on. "Broker non-votes" also will be counted as present in determining whether there is a quorum. Broker non-votes will occur if your shares are held by a broker and are voted by the broker on one or more "routine" matters at the meeting on which the broker has discretionary voting authority (such as ratification of the appointment of our independent accountants), but are not voted by the broker on a "non-routine" matter (such as the election of our directors) because the broker does not have discretionary voting authority with respect to that particular matter and you have not given the broker voting instructions on that matter. If your shares are represented at the meeting with respect to any matter voted on, they will be treated as present with respect to all matters voted on, even if they are not voted on all matters.

**Q: Could the Annual Meeting be adjourned?**

**A:** If a quorum is not present at the Annual Meeting, or for other reasons, the meeting may be adjourned to a different date, time or place. If an announcement is made during the meeting of the date, time, and place for the adjourned meeting, no further notice of the adjourned meeting will be given unless the adjournment is for more than 30 days or the Record Date is changed.

In the unlikely event that, for any reason, we are not able to convene the Annual Meeting, or if, after being convened, the meeting is interrupted and cannot be continued, including loss of Internet connectivity or communications capabilities, power failure, or other technical difficulties, the meeting will be adjourned. If a verbal or written announcement of a later date and time for reconvening the meeting is made during the meeting or on the meeting

website during scheduled time for the meeting, the meeting will be reconvened on that date and at that time in a virtual meeting format at the same web address listed above (<https://agm.issuerelect.com/lumb>). If such a notice is given, no further notice of the date and time of the reconvened meeting will be given unless the adjournment is for more than 30 days or the Record Date has changed.

The instructions described above for accessing, participating in, and voting at the original meeting will apply to any reconvened meeting.

**Q: What vote is required to elect directors and on Proposal 2?**

**A:**

Proposals for your vote	Voting Options	Votes Required	Effect of Abstentions	Effect of broker non-votes
Proposal 1: Election of Directors	<ul style="list-style-type: none"> <li>• Vote for all nominees by voting "FOR ALL"</li> <li>• Withhold your vote for all nominees by voting "WITHHOLD ALL"</li> <li>• Vote for all of the nominees except for certain nominees by voting "FOR ALL EXCEPT" and then indicating the nominee(s) for whom you want your vote withheld</li> <li>• You may vote cumulatively for directors</li> </ul>	Plurality of votes cast in election by holders of Common Stock represented at the meeting	Will have no effect	Will have no effect
Proposal 2: Ratification of Appointment of Independent Accountants	Vote For, Against, or Abstain	Majority of votes entitled to be cast with respect to Common Stock shares represented at the meeting	Will have no effect	Will have no effect

**Q: How can I find out the results of the voting at the virtual Annual Meeting?**

**A:** Following the Annual Meeting, if you wish to know the results of the voting you may contact our Corporate Secretary, Janet Newton, at (910) 522-5830.

**Q: Who can help answer my questions?**

**A:** If you have other questions about the Annual Meeting or the proposals to be voted on, or how to submit your proxy card, you should contact our Corporate Secretary, Janet Newton, at (910) 522-5830.