



Dear Fellow Shareholders:

You are cordially invited to attend the 2025 Annual Meeting of Shareholders of Pinnacle Bankshares Corporation, the holding company for First National Bank. The Annual Meeting will be held at Virginia Technical Institute, located at 201 Ogden Road, Altavista, Virginia 24517, on **Tuesday, May 13, 2025, beginning at 11:00 a.m. Eastern Time**. The accompanying Notice and Proxy Statement describe the matters to be presented at the meeting. Highlights from our 2024 Annual Report to Shareholders will also be reviewed at the Annual Meeting.

**Please complete, sign, date, and return the enclosed proxy card or follow the instructions on the proxy card to vote by phone or online as soon as possible.** Whether or not you will be able to attend the Annual Meeting, it is important that your shares be represented and your vote recorded. Your proxy may be revoked and your vote changed at any time before the Annual Meeting.

We appreciate your continuing loyalty and support of Pinnacle Bankshares Corporation and First National Bank.

Sincerely,

A handwritten signature in black ink that reads "Aubrey H. Hall, III". The signature is written in a cursive style with a horizontal line through the end.

Aubrey H. (Todd) Hall, III  
*President & Chief Executive Officer*

Altavista, Virginia  
April 3, 2025

**Pinnacle Bankshares Corporation  
622 Broad Street  
Altavista, Virginia 24517**

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**NOTICE OF 2025 ANNUAL MEETING OF SHAREHOLDERS**

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**TO BE HELD MAY 13, 2025**

The 2025 Annual Meeting of Shareholders of Pinnacle Bankshares Corporation will be held at Virginia Technical Institute, located at 201 Ogden Road, Altavista, Virginia 24517, on **Tuesday, May 13, 2025, beginning at 11:00 a.m. Eastern Time** for the following purposes:

1. To elect four Class I directors to serve until the 2028 Annual Meeting of Shareholders.
2. To transact such other business as may properly come before the meeting or any adjournment thereof.

Shareholders of record at the close of business on March 20, 2025, are entitled to notice of and to vote at the Annual Meeting or any adjournment thereof.

By Order of the Board of Directors



Bryan M. Lemley  
*Secretary*

April 3, 2025

**IMPORTANT NOTICE**

**Please complete, sign, date, and return the enclosed proxy card in the accompanying postage paid envelope or follow the instructions on the proxy card to vote by phone or online so that your shares will be represented at the meeting. Shareholders attending the meeting may personally vote on all matters that are considered, in which event their previously submitted proxies or votes will be revoked (provided that, if you hold your shares through a bank, broker, or other holder of record and you wish to vote in person, you must bring a legal proxy or broker's proxy card to the meeting as proof of your authority to vote the shares).**

**Pinnacle Bankshares Corporation  
622 Broad Street  
Altavista, Virginia 24517**

**PROXY STATEMENT  
2025 ANNUAL MEETING OF SHAREHOLDERS  
May 13, 2025**

**GENERAL**

The following information is furnished in connection with the solicitation by and on behalf of the Board of Directors (the “Board” or “Board of Directors”) of the enclosed proxy to be used at the 2025 Annual Meeting of Shareholders (the “Annual Meeting”) of Pinnacle Bankshares Corporation (the “Company” or “Pinnacle”) to be held at Virginia Technical Institute, located at 201 Ogden Road, Altavista, Virginia 24517, on Tuesday, May 13, 2025, beginning at 11:00 a.m. Eastern Time. The approximate mailing date of this Proxy Statement and accompanying proxy is April 3, 2025.

**Information about Voting**

You will receive multiple copies of this Proxy Statement and accompanying proxy if you hold your shares in different ways (such as, by joint tenancy, in a trust, or in a custodial account) or in multiple accounts. You should vote the shares represented by each proxy card you receive to ensure that all of your shares are voted.

Shareholders of record can vote during the Annual Meeting or by proxy. There are three ways for shareholders of record to vote by proxy:

- Phone - you can vote by phone toll-free by following the instructions on the proxy card (you will need the 15-digit control number on the proxy card);
- Online - you can vote online over the Internet by following the instructions on the proxy card (you will need the 15-digit control number on the proxy card); or
- Mail - you can vote by mail by signing, dating, and mailing the proxy card in the postage paid envelope provided.

If you hold your shares through a bank, broker, or other holder of record, you should follow the instructions from your bank, broker, or agent to vote.

Proxies will extend to, and will be voted at, any properly adjourned session of the Annual Meeting. If a shareholder specifies how the proxy is to be voted with respect to any proposal for which a choice is provided, the proxy will be voted in accordance with such specifications. If a shareholder fails to specify how the proxy is to be voted, the proxy will be voted FOR the Director Nominees named in Proposal 1.

Submission of a proxy by phone, online, or by mail will not affect a shareholder's right to attend the Annual Meeting and to vote in person. However, if you hold your shares through a bank, broker, or other holder of record, and you plan to vote in person at the Annual Meeting, you should contact your bank, broker, or agent to obtain a legal proxy or broker's proxy card to bring to the meeting as proof of your authority to vote the shares.

## Revocation of Proxies

If you are a shareholder of record, you may change or revoke your proxy at any time before your shares are voted at the Annual Meeting, by any of the following methods:

- By submitting a written notice of revocation to the Secretary of the Company before voting commences at the Annual Meeting;
- By submitting by the close of business on May 12, 2025, a completed proxy card bearing a later date than any other proxy submitted by you;
- By phone by following the instructions on the proxy card (you will need the 15-digit control number on the proxy card);
- By visiting the website listed on the proxy card and following the instructions to vote online (you will need the 15-digit control number on the proxy card); or
- By attending the Annual Meeting and voting during the Annual Meeting.

Your latest proxy submitted by phone, online, or by mail with respect to the same shares is the one that will be counted.

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

## Directions to Annual Meeting

To obtain directions to attend the Annual Meeting and vote in person, please contact the Secretary of the Company at (434) 477-5882.

## Voting Rights of Shareholders

Only those shareholders of record at the close of business on March 20, 2025, are entitled to notice of and to vote at the Annual Meeting, or any adjournments thereof. The number of shares of common stock of the Company outstanding and entitled to vote at the Annual Meeting is 2,216,616. The Company has no other class of stock outstanding. A majority of the votes entitled to be cast, represented in person or by proxy, will constitute a quorum for the transaction of business. Each share of Company common stock entitles the record holder thereof to one vote upon each matter to be voted upon at the Annual Meeting.

Shares for which the holder elects to abstain or to withhold the proxies' authority to vote on a matter will count toward a quorum, but will not be considered in determining the number of votes cast with respect to such matter. "Broker non-votes" (shares held by brokers or nominees as to which (i) instructions have not been received from the beneficial owner or the persons entitled to vote the shares, and (ii) the broker or nominee does not have discretionary voting power on a particular matter), if any, will not count toward a quorum and will not be considered in determining the number of votes cast with respect to such matter.

With regard to the election of Directors, votes may be cast in favor or withheld. If a quorum is present, the Nominees receiving the greatest number of affirmative votes cast at the Annual Meeting will be elected Directors; therefore, votes withheld, abstentions, and broker non-votes will have no effect on the election of Directors. It should be noted, however, that discretionary voting by brokers is not permitted in uncontested elections of Directors. **Therefore, your vote is especially important, as your broker does not have the discretion to vote shares held on your behalf with respect to the election of Directors without your instructions.** If you hold your shares through a broker and do not provide your broker with

voting instructions, that will result in a broker non-vote for each share that you hold. A large number of broker non-votes could affect the ability of the Company to achieve a quorum at the Annual Meeting.

### Solicitation of Proxies

The cost of solicitation of proxies will be borne by the Company. Solicitations will be made only by mail, except that officers and regular employees of the Company and First National Bank (the “Bank” or “First National Bank”), may make solicitations of proxies in person, by phone, or mail, acting without compensation other than their regular compensation. We anticipate that brokerage houses and other nominees, custodians, and fiduciaries will be requested to forward the Company’s proxy soliciting material to the beneficial owners of the stock held of record by such persons, and the Company will reimburse them for their charges and expenses in connection with this activity.

### Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information as of March 26, 2025, concerning the number and percentage of shares of Pinnacle common stock beneficially owned by each of Pinnacle’s Directors, Director nominees and executive officers, and by Pinnacle’s Directors and executive officers as a group. Except as otherwise indicated, all shares are owned directly and the named person possesses sole voting and sole investment power with respect to all such shares, and none of such shares is pledged as security. Percentage ownership is calculated based on 2,216,616 outstanding shares of Pinnacle common stock as of March 26, 2025.

<u>Name</u>	<u>Amount and Nature of Beneficial Ownership (1)</u>	<u>Ownership as a Percentage of Common Stock Outstanding</u>
Elton W. Blackstock, Jr.	5,000	*
Vivian S. Brown	4,749 (2)	*
Connie C. Burnette	1,431 (3)	*
James E. Burton, IV	15,062 (4)	*
Judson H. Dalton	5,679 (5)	*
Robert L. Finch, Jr.	10,284 (6)	*
Aubrey H. (Todd) Hall, III	33,917 (7)	1.53%
Robert Hurt	1,313 (8)	*
Dr. Robert L. Johnson, II	2,897 (9)	*
Bryan M. Lemley	11,419 (10)	*
Donald W. Merricks	5,122 (11)	*
Michael E. Watson	7,001 (12)	*
James O. Watts, IV, Esq.	2,882 (13)	*
Ramsey W. Yeatts	5,947 (14)	*
All directors and executive officers as a group (14 persons)	<u>112,703</u>	<u>5.08%</u>

\* Less than 1.0%, based on 2,216,616 total outstanding shares as of March 26, 2025.

- (1) For purposes of this table, beneficial ownership has been determined in accordance with the provisions of Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) under which, in general, a person is deemed to be the beneficial owner of a security if he or she has or shares the power to vote or direct the voting of the security or the power to dispose of or direct the disposition of the security, or if he or she has the right to acquire beneficial ownership of the security within sixty days.
- (2) Includes 464 shares that are restricted as to sale or other transfer until January 9, 2026.
- (3) Includes 405 shares that are restricted as to sale or other transfer until January 9, 2026.

- (4) Excludes 978 shares held solely by spouse. Also includes 278 shares that are restricted as to sale or other transfer until January 9, 2026.
- (5) Includes 878 shares that are restricted as to sale or other transfer until January 9, 2026.
- (6) Includes 1,548 shares held jointly with spouse.
- (7) Includes 13,250 shares that are restricted as to sale or other transfer prior to vesting.
- (8) Includes 413 shares that are restricted as to sale or other transfer until January 9, 2026.
- (9) Includes 491 shares that are restricted as to sale or other transfer until January 9, 2026.
- (10) Includes 4,969 shares that are restricted as to sale or other transfer prior to vesting.
- (11) Includes 824 shares held jointly with spouse. Also includes 740 shares that are restricted as to sale or other transfer until January 9, 2026.
- (12) Includes 7,001 shares held jointly with spouse.
- (13) Includes 430 shares that are restricted as to sale or other transfer until January 9, 2026.
- (14) Includes 247 shares that are restricted as to sale or other transfer until January 9, 2026.

**PROPOSAL 1  
ELECTION OF DIRECTORS**

The Company's Board is divided into three classes (I, II, and III) of Directors. The term of office of all Class I Directors will expire at the Annual Meeting. Four Nominees for election as Class I Directors, Elton W. Blackstock, Jr., Robert L. Finch, Jr., Aubrey H. (Todd) Hall, III, and Dr. Robert L. Johnson, II, currently serve as Directors of the Company and are standing for re-election. If elected, the Class I Nominees will serve until the 2028 Annual Meeting of Shareholders.

The persons named in the proxy will vote for the election of the Nominees named below unless authority is withheld. The Company's Board believes that the Nominees will be available and able to serve as Directors, but if any of these persons should not be available or able to serve, the proxies may exercise discretionary authority to vote for a substitute proposed by the Company's Board.

Certain information concerning the Nominees for election at the Annual Meeting is set forth below, as well as certain information about the Class II and Class III Directors who will continue in office after the Annual Meeting.

**Class I Nominees (To Serve until the 2028 Annual Meeting)**

<b>Name (Age) and Address</b>	<b>Principal Occupation</b>	<b>Director of Company Since</b>
Elton W. Blackstock, Jr. (62) Hurt, Virginia	Retired Administrator Blue Ridge Regional Jail Authority	2015
Robert L. Finch, Jr. (68) Lynch Station, Virginia	Retired Chief Executive Officer Chair of the Board Finch and Finch, Inc. Funeral & Cremation Service	2013
Aubrey H. (Todd) Hall, III (54) Rustburg, Virginia	President and Chief Executive Officer Pinnacle Bankshares Corporation and First National Bank	2011
Dr. Robert L. Johnson, II (59) Forest, Virginia	Retired Superintendent Campbell County, Virginia Public Schools	2014

<p><b>THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE “FOR” THE ELECTION OF THE NOMINEES LISTED ABOVE.</b></p>
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**Class II Directors (Serving until the 2026 Annual Meeting)**

<b>Name (Age) and Address</b>	<b>Principal Occupation</b>	<b>Director of Company Since</b>
James E. Burton, IV (68) Lynchburg, Virginia	Retired Business Development Manager Slurry Pavers, Inc. (pavement preservation contractor)	1998
Judson H. Dalton (45) Lynchburg, Virginia	Project Manager, Estimator, and Home Office Manager English Construction Company, Inc.	2012
Robert Hurt (54) Chatham, Virginia	Executive Vice President and General Counsel 4C Health Solutions, Inc. (healthcare data analytics firm) Former member of U.S. House of Representatives	2022
Donald W. Merricks (72) Danville, Virginia	Retired Executive Vice President and Chief Integration Officer First National Bank Prior Chair of the Board and Chief Executive Officer Virginia Bank Bankshares, Inc. and Virginia Bank and Trust Company	2020
Ramsey W. Yeatts (59) Danville, Virginia	President and Principal Broker Ramsey Yeatts & Associates, Realtors	2024

**Class III Directors (Serving until the 2027 Annual Meeting)**

<b>Name (Age) and Address</b>	<b>Principal Occupation</b>	<b>Director of Company Since</b>
Vivian S. Brown (68) Forest, Virginia	Retired Executive Vice President Chief Retail Officer First National Bank	2023
Connie C. Burnette (67) Rustburg, Virginia	Vice President and Manager of Human Resources Wiley/Wilson (architectural and engineering firm)	2016
Michael E. Watson (70) Gladstone, Virginia	Retired Controller / Treasurer Flippin, Bruce & Porter, Inc. (investment advisory firm)	2003
James O. Watts, IV, Esq. (59) Lynchburg, Virginia	Vice President Scott Insurance (insurance agency)	2015

## **Director Qualifications and Experience**

The Nominating Committee seeks candidates who possess the background, skills, and expertise to make a significant contribution to the Board and to the Company and its shareholders. Although the Company has no formal policy regarding diversity, the Board of Directors believes that the Board should include Directors with diverse experience and business knowledge and believes that the Directors and Director Nominees bring a diverse range of perspectives to the Board's deliberations. The Nominating Committee considers Director qualifications according to the particular areas of expertise being sought as a complement to the existing Board composition at the time. Minimum qualifications include high-level leadership experience in business activities, breadth of knowledge about issues affecting the Company and the Bank, understanding of the customers served by the Bank, a willingness to promote the success and economic growth of the Bank, and time available for meetings and consultation on Company and Bank matters. In March 2025, the Board approved an amendment to our Amended and Restated Bylaws (the "Bylaws") to increase the retirement age for Directors of the Company from 72 to 75. Under our Bylaws, no individual may be nominated for election or elected as a Director of the Company if on the date of his or her election the individual would be age 75 or older.

The Board has concluded that each Director and Director Nominee possesses the personal traits described above. In considering the Directors' and Director Nominees's individual experience, qualifications, attributes, and skills, the Board has concluded that the appropriate experience, qualifications, attributes, and skills are represented for the Board as a whole and for each of the Board's Committees. In addition, each Director and the Director Nominee possesses characteristics that led the Board to conclude that such person should serve as a Director. The following paragraphs provide information as of the date of this Proxy Statement about the Director Nominee and each Director who is continuing in office following the 2025 Annual Meeting, including information each such Director and Director Nominee has given us about all positions he/she currently holds and; his/her principal occupation and business experience for the past five years. None of the Directors or the Director Nominees currently serves as a Director or has served as a Director of any other publicly-held company during the past five years. In addition to the information presented below regarding each Director's and the Director Nominee's specific experience, qualifications, attributes, and skills that led our Board to the conclusion that he/she should serve as a Director, we also believe that all of our Directors and the Director Nominees have a reputation for integrity, honesty, and adherence to high ethical standards. Each Director and Director Nominee has demonstrated business and financial acumen, an ability to exercise sound judgment, and compatibility with other Directors, as well as a commitment to service to the Company and our Board. There are no family relationships among any Directors, Director Nominees, and executive officers with the exception that Mr. Merrick's spouse and Mr. Yeatt's spouse are first cousins.

### ***Elton W. Blackstock, Jr.; Director since 2015***

Mr. Blackstock, a Pittsylvania County native, retired as Administrator of the Blue Ridge Regional Jail Authority in 2012, where he was employed for 15 years. He has over 30 years' experience with the military, law enforcement, and corrections, which includes the United States Navy, Pittsylvania County Sheriff's Department, and Virginia Department of Corrections. Mr. Blackstock previously served on the Western Region Jail Association Board; the Pittsylvania County Board of Supervisors as the Staunton River District Representative and as its Finance Committee Chair; the Pittsylvania County School Board; the Pittsylvania County and Danville Regional Industrial Facility Authority Board; and as Chair of the Staunton River Regional Industrial Authority Board and the Pittsylvania County Service Authority Board. Mr. Blackstock received his Associate degree from Danville Community College. Through his professional background and public service, Mr. Blackstock has acquired skills in budget development, personnel and operational policies, issue resolution, and preparation of legal defense matters, all of which are of value to Pinnacle's board of directors.

***Vivian S. Brown; Director since 2023***

Ms. Brown retired from Pinnacle and First National Bank in May 2023. At the time of her retirement, she served as Vice President of Pinnacle and Executive Vice President and Chief Retail Officer of First National Bank, where she had been employed since 2005 in various roles of increasing responsibility in branch and retail management. Ms. Brown currently serves on the Central Virginia Community College Foundation Board and is a past Chair of the Central Virginia Community College Board. She has also served on the boards of the Greater Lynchburg Boys and Girls Club and the Greater Lynchburg Habitat for Humanity. Ms. Brown earned a Bachelor of Business Administration from Averett University and is a graduate of the Virginia Bankers School of Bank Management. Ms. Brown brings over 35 years of banking experience to Pinnacle's board of directors.

***Connie C. Burnette; Director since 2016***

Ms. Burnette is Vice President and Manager of Human Resources for Wiley/Wilson, an architectural and engineering firm, where she has been employed since 2007. Prior to Wiley/Wilson, she worked as the Human Resources Director for Consolidated Shoe Company, Inc. She has her Professional in Human Resources (PHR) and Society for Human Resource Management (SHRM-CP) certifications. Additionally, she is an active member of The ESOP Association and is currently serving a 2-year term as an At-Large Corporate member of the board of directors. She has served on the Executive Committee of the State and Regional Chapter Council and is currently Vice President of Programming of the Mid-Atlantic/Carolinas Chapter. Ms. Burnette graduated from Rustburg High School and attended Central Virginia Community College. She provides valuable input to Pinnacle's board of directors regarding the oversight of employee compensation and benefits programs as well as advocacy of First National Bank within the markets it serves.

***James E. Burton, IV, Chair of the Board; Director since 1998***

Mr. Burton is retired after a long career in highway construction and asphalt paving. He was the Business Development Manager for Slurry Pavers, Inc. from 2020 to the end of 2022. He has also served as the sole member of Pavement Consulting Services, LLC, a pavement consulting company since April 2019. From 2015 until 2019, Mr. Burton served as Vice President of the Asphalt Contracting Division for Boxley Materials Company ("Boxley"). He was employed by Boxley's predecessor company, Templeton Paving, LLC, from 1984 to 2015 and prior to that served as General Manager for Amlite Corporation. Mr. Burton earned a Bachelor of Science degree in Civil Engineering from Virginia Military Institute. He has previously served as President and a director of the Old Dominion Highway Contractors Association and as a member of the board of trustees of Westminster Canterbury in Lynchburg, Virginia. Mr. Burton brings to Pinnacle's board of directors leadership and consensus-building skills, experience in executive management, insights into corporate finance and risk management, and extensive knowledge of the communities served.

***Judson H. Dalton; Director since 2012***

Mr. Dalton is employed by English Construction Company, Inc. ("English"), a third-generation family-owned business based out of Lynchburg, Virginia providing a wide array of construction services throughout the Mid-Atlantic and Southeast regions of the United States. He currently serves as a Project Manager, Estimator, and Home Office Manager for English, and is a member of English's founding family. He holds a Bachelor of Arts degree in Economics from Randolph Macon College. Mr. Dalton has a strong knowledge of the Central Virginia market and his experience in the construction industry provides Pinnacle's board of directors with valuable insight regarding this important sector of the economy.

***Robert L. Finch, Jr.; Director since 2013***

Mr. Finch retired as Chief Executive Officer in 2023 from Finch & Finch, Inc. Funeral & Cremation Service located in Altavista and Gladys, Virginia but continues serving the company as its Chair of the Board of Directors. Finch & Finch is a family-owned and managed business, established in 1905, with Mr. Finch representing the fourth generation of the Finch family. He attended Lynchburg College (now the University of Lynchburg), graduated with a Bachelor of Science degree in 1980 from Elon University, received an Associate degree from Gupton-Jones College of Funeral Service in Atlanta, Georgia in 1992, and was licensed as a Funeral Service Licensee that same year. Mr. Finch currently serves on the board of directors of the Powell Foundation and the Endowment Committee for the Altavista Area YMCA. He is a Past President of the Virginia Funeral Directors Association (VFDA). He was named VFDA Outstanding Member of the Year in 2008 and Virginia's Funeral Director of the Year in 2003 and 2009. Mr. Finch is dedicated to community activities and is Treasurer of the Citizens for Altavista Baseball. He is a former member and a past President of the Lions Club of Altavista and a past board member of The Greater Lynchburg Community Foundation, Altavista Area YMCA, Altavista Chamber of Commerce, and Altavista Vocational Advisory Council. Mr. Finch brings to Pinnacle's board of directors extensive management acumen and valuable knowledge of the Altavista market.

***Aubrey H. (Todd) Hall, III; President & Chief Executive Officer; Director since 2011***

Mr. Hall is President and Chief Executive Officer of Pinnacle Bankshares Corporation and First National Bank, a position he has held since 2011. He joined First National Bank in 2003 and has nearly 33 years of banking experience. Mr. Hall serves as the Chair of the Board for Bearing Insurance Group, LLC, formerly Bankers Insurance, LLC, and serves on the boards of the Powell Foundation, the Virginia Bankers Association (“VBA”), and VBA Management Services, Inc. He is a past Chair of the board of directors of the Lynchburg Regional Business Alliance and VBA Management Services, Inc. Mr. Hall earned a Bachelor of Arts degree in Accounting from Lynchburg College (now the University of Lynchburg) in 1992. He is a graduate of the Virginia Bankers School of Bank Management at the University of Virginia and the Graduate School of Banking at Louisiana State University, where he is a prior member of the board of trustees. He also completed the Darden/SNL Executive Program in Bank Financial Leadership. Mr. Hall has a diverse background in the banking industry and a strong knowledge of the banking business. He provides keen insight into the markets served by First National Bank and carries with him the respect of the other members of management and the board of directors.

***Robert Hurt; Director since 2022***

Mr. Hurt serves as Executive Vice President and General Counsel for 4C Health Solutions, Inc., a healthcare data analytics firm based in Wilmington, Delaware. A native of Chatham, Virginia, Mr. Hurt previously served in the U.S. House of Representatives, representing Virginia’s Fifth District for 3 terms from 2011–2017. While in Congress, he was appointed to the Financial Services Committee, where he served as the Vice-Chair of both the Capital Markets and the Housing and Insurance Subcommittees. After stepping down from Congress, Mr. Hurt served as the Dean of the Helms School of Government at Liberty University, where he led a school that served over 10,000 students and 300 faculty members. Prior to representing Virginia’s Fifth District, Mr. Hurt worked as an attorney and served as a citizen-legislator from Southside Virginia representing his neighbors in the Virginia Senate, in the Virginia House of Delegates, and on the Chatham Town Council. He also served as Chief Assistant Commonwealth’s Attorney for Pittsylvania County and established a successful private law practice in Southside Virginia. Mr. Hurt earned his Bachelor of Arts degree from Hampden-Sydney College and received his law degree from Mississippi College School of Law. Mr. Hurt provides a wealth of practical market, legal, government, and financial services experience to Pinnacle’s board of directors.

***Dr. Robert L. Johnson, II; Director since 2014***

Dr. Johnson served as Superintendent of Campbell County, Virginia Public Schools from 2009 until his retirement in June of 2023. He received his Doctor of Education in 2004 from the University of Virginia where he also received his Bachelor and Master of Education degrees. He received the William H. Seawell Memorial Award in 2003 and is a past member of the American Association of School Administrators and the Virginia Association of School Superintendents. Dr. Johnson has served as a member of the Central Virginia Workforce Development Board and the UVA K12 Advisory Council. He is the past Chair of Virginia's Region V Superintendents and served as Region V's legislative representative for 6 years. Dr. Johnson has an extensive background in education and administration and provides Pinnacle's board of directors with leadership and consensus-building skills on a variety of matters, including corporate governance and succession planning.

***Donald W. Merricks, Vice-Chair of the Board; Director since 2020***

Mr. Merricks retired from First National Bank in February of 2021 after serving as Executive Vice President and Chief Integration Officer. He is the prior Chair of the Board and Chief Executive Officer of Virginia Bank Bankshares, Inc. and Virginia Bank and Trust Company (Virginia Bank), having served on the boards for 14 years and as Chief Executive Officer for nearly 3 years. Prior to joining Virginia Bank, Mr. Merricks owned and operated J. W. Squire Company, Inc., a Danville, Virginia-based building specialties company, for 20 years. He was Executive Vice President for First Virginia Bank-Piedmont, where he was employed for approximately 25 years in various roles within operations, accounting, and commercial lending. Mr. Merricks is also a former member of the Virginia General Assembly, having served in the House of Delegates for 6 years, retiring in 2014. Mr. Merricks currently serves as Chair of the Board of the Institute for Advanced Learning and Research in Danville, Virginia. He holds a Bachelor of Science degree in Business Administration and a Master of Business Administration from Averett University. Mr. Merricks' involvement in the community and his diversified business background and experience provide Pinnacle with valuable insight regarding markets served and its overall banking operation.

***Michael E. Watson; Director since 2003***

Mr. Watson is retired from Flippin, Bruce & Porter, Inc., a Lynchburg investment advisory firm, where he was employed from 1997 to 2021 as Controller/Treasurer. His previous employment experience was as Chief Operating Officer for The Greenwood Partnership, Chief Financial Officer for The Lester Group, and Audit Manager with Coopers & Lybrand. Mr. Watson is a member of the American Institute of Certified Public Accountants and holds a Bachelor of Science degree in Accounting from Virginia Tech. Mr. Watson provides Pinnacle's board of directors with invaluable expertise in financial accounting matters, auditing practices, and risk management programs and policies.

***James O. Watts, IV, Esq.; Director since 2015***

Mr. Watts is Vice President of Scott Insurance, one of the largest independent insurance agencies in the Southeast, where he focuses on Commercial Property & Casualty Insurance. He has been employed with Scott since 1999. He practiced law at Edmunds & Williams in Lynchburg from 1991 to 1999, where he became a partner. Mr. Watts received his Bachelor of Arts from the University of Virginia in 1988 and his law degree from Washington & Lee University in 1991. He currently serves on the board of YMCA of Central Virginia and as President of the board of Lynchburg Area Development Corporation. Mr. Watts provides Pinnacle's board of directors with valuable input based on his legal and business expertise as well as strong advocacy as First National Bank in the Lynchburg market.

### ***Ramsey W. Yeatts; Director since 2024***

Mr. Yeatts is a Pittsylvania County native and President and Principal Broker of Ramsey Yeatts & Associates, Realtors, a real estate brokerage firm located in Danville, Virginia, which serves the City of Danville and the counties of Pittsylvania, Halifax, Henry, and Campbell in Virginia, as well as Caswell County in North Carolina. His previous employment experience includes a successful 17-year banking career with Central Fidelity Bank and First Citizens Bank. Mr. Yeatts previously served as President of the Dan River Region Association of Realtors and currently serves on its Budget Committee. He also serves as assistant basketball coach at Tunstall High School where he is President of the Friends of Tunstall Basketball. He previously served on the board of the Danville-Pittsylvania County Chamber of Commerce, where he is a past Treasurer. Mr. Yeatts earned a Bachelor of Science degree in Business Administration from Bridgewater College in 1988 and is a member of Bridgewater's Athletic Hall of Fame and the Pittsylvania County Sports Hall of Fame. Mr. Yeatts brings to Pinnacle's board of directors over 35 years of experience in real estate and banking within the markets served.

### **Director Recommendations and Nominations by Shareholders**

While the Board's Nominating Committee has no formal procedure for shareholders to submit Director recommendations, the Nominating Committee will consider candidates recommended by shareholders in writing. Such written submissions should include the name, address, and telephone number of the recommended candidate, along with a brief statement of the candidate's qualifications to serve as a Director. All such shareholder recommendations should be submitted to the attention of the Company's Secretary, Pinnacle Bankshares Corporation, P.O. Box 29, Altavista, Virginia 24517, and must be received by January 2, 2026, in order to be considered by the Nominating Committee for the next annual election of Directors. Any candidates recommended by a shareholder will be reviewed and considered in the same manner as all other Director candidates considered by the Nominating Committee.

In addition, in accordance with the Company's Bylaws, any shareholder entitled to vote in the election of Directors generally may nominate one or more persons for election as Director(s) at an annual meeting if the shareholder gives written notice of his or her intent to make such nomination. In accordance with the Company's Bylaws, a shareholder nomination must include the Nominee's written consent to serve as a Director of the Company, if selected, sufficient background information with respect to the Nominee including, but not limited to, the Nominee's name, age, and address, the amount and nature of the Nominee's beneficial ownership of the Company's securities, his or her principal occupation for the past 5 years, a discussion of the specific experience, qualifications, attributes or skills that led to the conclusion that the Nominee should serve as Director, sufficient identification of the nominating shareholder, including the shareholder's name and address, a description of any arrangements or understandings between the shareholder and the Nominee pursuant to which the nomination is to be made by the shareholder, and a representation by the shareholder that he or she is the owner of stock of the Company entitled to vote at the annual meeting and that he or she intends to appear at the annual meeting (in person or by proxy) to nominate the individual specified in the notice. Notice of such nominations must be received by the Company's Secretary at the Company's principal office in Altavista, Virginia, no later than March 4, 2026 in order to be made for the annual election of Directors in 2026, provided that such notice will not be required to be given more than 90 days prior to the date of the 2026 Annual Meeting of Shareholders. These requirements are more fully described in Article II, Section 12 of the Company's Bylaws, a copy of which will be provided, without charge, to any shareholder upon written request to the Company's Secretary.

The Nominating Committee may identify Director Nominees through a combination of referrals, including by management, existing Board members and shareholders, and direct solicitations, where warranted. Once a candidate has been identified, the Nominating Committee reviews the individual's experience and background and may discuss the proposed Nominee with the source of the recommendation. If the Committee believes it to be appropriate, the Nominating Committee members may meet with the proposed Nominee before making a final determination whether to recommend the individual as a Nominee to the entire Board to stand for election to the Board.

### **Shareholder Communications with the Board of Directors**

The Company provides an informal process for shareholders to send communications to the Board of Directors. Shareholders who wish to contact the Board or any of its members may do so by writing to Pinnacle Bankshares Corporation, P.O. Box 29, Altavista, Virginia 24517. Correspondence sent by first class mail directed to an individual Board member will be referred to that member. Correspondence not directed to a particular Board member will be referred to the Chair.

### **Director Compensation**

The Board determines the compensation for its Directors. The Company uses public compensation data and survey information from similar sized financial institutions in Virginia to determine the appropriate levels of Director compensation. For 2024, all Directors of the Company received an annual retainer of \$7,000, and Directors of the Bank received an additional annual retainer of \$10,600. The Chair of the Board received an additional retainer of \$3,000. The Vice Chair of the Board received an additional retainer of \$1,500. The Chair of the Audit Committee received an additional retainer of \$1,500, the Chair of the Risk Management Committee received an additional retainer of \$1,500, the Chair of the Compensation Committee received an additional retainer of \$1,500, and the Chair of the Nominating Committee received an additional retainer of \$1,000. The Company's and the Bank's outside Directors also received \$500 for each Committee meeting attended. Under the Company's 2024 Incentive Stock Plan, Directors may choose to receive up to 100% of their Director fees in the form of Company common stock. Directors are required to receive at least 50% of their Director fees in Company common stock until they hold a minimum of 5,000 shares. Director compensation for service in 2024 was paid in January of 2025.

The following table summarizes Director compensation for 2024.

<b>Director Compensation for 2024</b>			
Name (1)	Fees Earned or Paid in Cash (\$)(2)	All Other Compensation (\$)	
Elton W. Blackstock, Jr.	30,100	—	
Vivian S. Brown	27,600	—	
Connie C. Burnette	24,100	—	
James E. Burton, IV	33,100	—	
Judson H. Dalton	26,100	—	
Robert L. Finch, Jr.	28,600	—	
Robert Hurt	24,600	—	
Dr. Robert L. Johnson, II	28,600	—	
L. Frank King, Jr.	8,867	—	
Donald W. Merricks	31,600	—	
Carroll E. Shelton	10,867	—	
C. Bryan Stott	11,367	—	
Michael E. Watson	30,600	—	
James O. Watts, IV, Esq.	25,600	—	
Ramsey W. Yeatts	14,733	—	

- (1) Compensation for Mr. Aubrey H. (Todd) Hall, III is included in the Summary Compensation Table.
- (2) The amounts in this column include any Director fees to be received in the form of Pinnacle common stock under Pinnacle’s 2014 Incentive Stock Plan based on Director elections to receive some or all of their Director fees in stock, which will be fully vested upon grant but under Rule 144 of the Securities Act of 1933, as amended, will be subject to certain transfer restrictions for one year. The following Directors elected to receive the following amounts of their Director fees for service during 2024 in shares of Pinnacle common stock: Ms. Brown- \$13,790; Ms. Burnette - \$12,036; Mr. Burton - \$8,262; Mr. Dalton - \$26,094; Mr. Hurt- \$12,274; Mr. Johnson - \$14,592; Mr. Merricks - \$21,992; Mr. Watts - \$12,779; and Mr. Yeatts -\$7,340.

### **EXECUTIVE COMPENSATION**

The Compensation Committee (for purposes of this section, the “Committee”) of the Board, whose members are independent for compensation committee purposes under the listing standards of the NASDAQ Stock Market, reviews officer and employee compensation and employee benefit plans and makes recommendations to the Board concerning such matters when appropriate.

The Committee reviews the performance of Pinnacle’s President and Chief Executive Officer and approves, subject to Board approval, appropriate compensation. The Committee also approves, subject to Board approval, any equity compensation or other compensation Pinnacle’s President and Chief Executive Officer may receive.

Pursuant to its charter, the Committee may delegate its duties to any Subcommittee or any member of senior management. Compensation of senior management is determined by Pinnacle’s President and Chief Executive Officer with direction from the Committee staying within the targeted overall compensation budgeted by the Company.

Pinnacle does not have written employment agreements with senior management. The compensation of senior management, including Pinnacle's President and Chief Executive Officer, is a mix of base salary, cash incentive compensation pursuant to the Executive Incentive Plan implemented in 2023, and equity compensation designed to be competitive with the Company's peers and to enhance long-term value to the Company's shareholders. The compensation setting process consists of establishing targeted overall compensation for the Company by the Committee.

Pinnacle has a discretionary cash incentive compensation program for its employees that identifies factors that the Board will consider when evaluating possible discretionary bonus payments in December each year. Beginning in 2023, Pinnacle implemented an Executive Incentive Plan for its senior management, including its named executive officers, pursuant to which cash incentive compensation is awarded. For 2023, the Board approved a discretionary bonus of 8% of salary to all employees, excluding senior management and the named executive officers. Beginning in 2024, the Board approved an Employee Incentive Plan for its eligible employees, excluding senior management, named executive officers and commission-based positions. The bonus amounts realized by eligible employees under the plan vary based on the Company and individual performance. Bonus payouts are recommended quarterly by senior management as a percentage of quarterly eligible earnings and are subject to Chief Executive Officer and Chief Human Resources Officer approval.

***Executive Incentive Plan.*** The Executive Incentive Plan implemented in 2023 was designed to provide a strong variable pay component to total cash compensation for senior management and appropriately incentivize senior management to achieve meaningful corporate and position-based targets. Performance targets and goals, as well as potential payout levels are recommended by the Committee and approved by the Board in February each year after the Company's budget and strategic plan for the year are finalized. The performance targets for Pinnacle's President and Chief Executive Officer and Chief Financial Officer are corporate-based, using a combination of Company performance compared to budget as well as compared to a peer group, and the Company's PTScore, which is a safety and soundness measure developed by Performance Trust Capital Partners. The bonus amounts that can be earned under the Executive Incentive Plan are based on a target percentage of base salary per position, which was 34% for Mr. Hall and 25% for Mr. Lemley for 2024, with potential payouts of that amount ranging from 0% to 50% to 100% to 150% for below threshold, threshold, target, or maximum performance, respectively, with respect to the established performance targets. Following the end of each year, the Committee recommends payouts under the plan for Board approval after the performance results for the year are finalized. The Committee also has discretion under the plan to recommend adjustments to any payout levels based on the Bank's overall asset quality, safety and soundness, management and leadership, and quality of work. Bonuses earned by senior management, including the named executive officers, under the Executive Incentive Plan for 2024 performance were finalized, recommended by the Committee, approved by the Board and paid in 2025.

The following table provides compensation information concerning Mr. Hall, President and Chief Executive Officer and Mr. Bryan M. Lemley, Secretary, Treasurer and Chief Financial Officer, the named executive officers of the Company for 2024 and 2023. All compensation, other than Director fees for service on the Board, was paid by the Bank, the Company’s wholly-owned subsidiary.

### Summary Compensation Table

Name and Principal Position	Year	Salary (\$)(1)	Non-Equity	Stock	All Other	Total (\$)
			Incentive Plan Compensation (\$)(2)	Awards (\$)(3)	Compensation (\$)(4)	
Aubrey H. (Todd) Hall, III <i>President and Chief Executive Officer</i>	2024	413,512	213,918	103,125	25,238	755,793
	2023	401,106	202,210	120,000	18,704	742,020
Bryan M. Lemley <i>Secretary, Treasurer and Chief Financial Officer</i>	2024	242,435	92,219	41,250	13,193	389,097
	2023	228,712	86,998	50,000	9,576	375,286

- (1) Includes a combined Pinnacle and First National Bank Board of Directors’ cash retainer of \$12,400 paid during 2024 and \$11,000 paid during 2023 to Mr. Hall.
- (2) The amounts in this column reflect bonuses earned for 2024 and 2023 under the Executive Plan, which were paid in 2025 and 2024, respectively.
- (3) The amounts in this column reflect the aggregate grant date fair value of restricted stock awards granted during 2024 and 2023 pursuant to the 2014 Incentive Stock Plan, calculated in accordance with ASC Topic 718, based on the closing price of Pinnacle’s stock on the date of grant.
- (4) “All Other Compensation” for 2024 consists of the following: for Mr. Hall, \$4,002 for additional life insurance coverage, \$12,075 in company match under the defined contribution plan maintained by First National Bank (the “401(k) Plan”), \$2,600 for the Executive Health Program, \$793 in bank owned life insurance premiums, and \$5,768 in incremental cost for the use of a company-owned automobile (which includes depreciation, insurance, gas, and maintenance) and for Mr. Lemley, \$1,143 for additional life insurance coverage, \$11,551 in company match under the 401(k) Plan, and \$499 in bank owned life insurance premiums. The cost for additional life insurance coverage in excess of \$50,000 provided by Pinnacle’s group-term life insurance policy for employees is based on the imputed cost of coverage calculated using the IRS Premium Table.

***Pinnacle’s 2024 Incentive Stock Plan.*** The 2024 Incentive Stock Plan was adopted by shareholders in 2024 and makes available up to 200,000 shares of common stock for awards of stock options, tandem or stand-alone stock appreciation rights, restricted stock, restricted stock units, and unrestricted stock to key employees and Directors of Pinnacle and its subsidiaries. The purpose of the plan is to promote the long-term success of Pinnacle and its subsidiaries by providing incentives to key employees and Directors that will promote the identification of their personal interests with the long-term financial success of Pinnacle and with growth in shareholder value consistent with Pinnacle’s risk management practices. The 2024 Incentive Stock Plan is designed to provide flexibility to Pinnacle in its ability to motivate, attract, and retain the services of key employees and Directors upon whose judgment, interest, and special effort the successful conduct of its operation is largely dependent. Awards are granted based upon the ability of key employees and Directors to affect the performance of Pinnacle and its subsidiaries. Pinnacle grants awards as a motivation to its employees and Directors and as a retention tool since the awards generally vest over three or more years, subject to earlier vesting under certain circumstances.

The Committee administers the 2024 Incentive Stock Plan. The Committee has authority to determine the key employees and Directors to whom awards shall be made and to approve awards, but typically approves awards subject to approval by the entire Board.

Each award under the 2024 Incentive Stock Plan is made pursuant to a written agreement between Pinnacle and the recipient of the award. In administering the plan, the Committee has the authority to determine the terms and conditions upon which awards are made and exercised, to determine the terms and provisions of each agreement, to construe and interpret the plan and the agreements, to establish, amend, or waive rules or regulations for the plan's administration, to accelerate the exercisability of any award, the end of any performance period, or termination of any period of restriction, and to make all other determinations and take all other actions necessary or advisable for the administration of Pinnacle's 2024 Incentive Stock Plan.

The Board may terminate, amend, or modify Pinnacle's 2024 Incentive Stock Plan from time to time in any respect without shareholder approval, unless the particular amendment or modification requires shareholder approval under the Internal Revenue Code, the rules and regulations under Section 16 of the Exchange Act, if applicable, the rules of any stock exchange on which Pinnacle's common stock is listed, by any regulatory body having jurisdiction or pursuant to any other applicable laws, rules, or regulations.

The following table reflects certain information regarding unvested restricted stock held at December 31, 2024 by Messrs. Hall and Lemley. Pinnacle granted 3,750 shares of restricted stock on May 1, 2024 with 3 year cliff vesting to Mr. Hall and 1,500 shares of restricted stock on May 1, 2024 with 3 year cliff vesting to Mr. Lemley. There were no outstanding options held by Messrs. Hall or Lemley as of December 31, 2024.

#### **Outstanding Equity Awards at 2024 Fiscal Year-End**

	Stock Awards	
Name	Number of shares or units of stock that have not vested (1) (#)	Market Value of shares or units of stock that have not vested (2) (\$)
Aubrey H. (Todd) Hall, III	13,250	413,400
Bryan M. Lemley	4,969	155,033

(1) The amounts in this column reflect the number of shares of restricted stock granted in 2022 through 2024 to the named executive officer pursuant to the 2014 Incentive Stock Plan. The shares vest on the third anniversary of the grant date.

(2) The amounts in this column represent the fair market value of the restricted stock as of December 31, 2024, based on the closing price of Pinnacle's common stock on December 31, 2024, the last business day of the year, which was \$31.20.

**2024 Change in Control Agreements.** Effective January 1, 2024, Pinnacle entered into agreements with Messrs. Hall and Lemley that provide for severance payments and certain other benefits if their employment terminates under specified conditions in anticipation of or after a "change in control" (as defined therein) of Pinnacle (collectively, the "2024 Agreements"). The 2024 Agreements amended and replaced earlier 2017 agreements.

Each of the 2024 Agreements has an initial term of three years from its effective date and automatically renews each year for a rolling three-year term, unless terminated or not renewed under its terms. Payments and benefits will be paid under each of the 2024 Agreements if, within two years following a change in control, (i) the executive's employment is terminated involuntarily without "cause" (as defined therein) and not as a result of death or disability, or (ii) the executive terminates his employment voluntarily for "good reason" (as defined therein). Under each of the 2024 Agreements, payments, and benefits will also be paid if the executive's employment is terminated prior to a change in control if the executive can

reasonably demonstrate that the termination was at the request of a third party who has taken steps reasonably calculated to effect a change in control or was in connection with, or in anticipation of, a change in control. Each of the 2024 Agreements also contains customary non-disclosure, non-solicitation, non-recruitment, and non-hiring provisions that apply during the executive's employment and generally continue for five years (non-disclosure) or two years (non-solicitation, non-recruitment, non-hiring) after termination following a change in control. "Change in control" is defined generally to include (i) the acquisition of stock by a person or group that constitutes more than 50% of the total fair market value or total voting power of Pinnacle's common stock, (ii) the acquisition of 30% or more of Pinnacle's voting stock either at one time or over a 12-month period, (iii) certain changes in the composition of the Board over a 12-month period, or (iv) an acquisition of 40% or more of Pinnacle's assets either at one time or over a 12-month period.

Under Mr. Hall's 2024 Agreement, if a change in control of Pinnacle occurs before Mr. Hall reaches age 65, and either he is employed by Pinnacle immediately prior to the change in control, or his employment is terminated prior to the change in control and he can reasonably demonstrate that the termination was at the request of a third party who has taken steps reasonably calculated to effect the change in control or was in connection with or in anticipation of the change in control, he would be entitled to receive on the date of the change in control a lump sum payment in an amount calculated by determining his accrued benefit under the Retirement Plan projected to and calculated as if he had remained employed through age 65, with such calculation being made using adjustments to compensation as described in the 2024 Agreement and without regard to otherwise-applicable compensation or benefit limits under the Internal Revenue Code, then subtracting his accrued benefit actually accrued under the Retirement Plan on the date of calculation, and then converting the difference to a lump sum, in accordance with the lump sum conversion provisions in the Retirement Plan.

Under Mr. Hall's 2024 Agreement, in the event of a covered termination following a change in control, Mr. Hall would also be entitled to receive (i) a severance payment made in ten quarterly installments, with the total of such installments being equal to 2.99 times the sum of Mr. Hall's highest annual base salary in effect at any time during the 36-month period ending on the date of the change in control, plus the greater of either Mr. Hall's highest annual bonus paid under Pinnacle's Executive Incentive Plan during the 36-month period ending on the date of the change in control or Mr. Hall's highest target bonus established by the Committee under the Executive Incentive Plan during the most recent performance period that ended on or before the date of the change in control. In addition, under his 2024 Agreement, Mr. Hall would receive a continuation of employee welfare benefits for 2.5 years following his termination of employment, and Pinnacle would be required to transfer ownership of the company-provided automobile to Mr. Hall at no cost to him (other than payment of applicable taxes).

Under Mr. Hall's 2024 Agreement, in the event the total payments and benefits payable would result in the imposition of an excise tax, Mr. Hall would receive a gross-up payment for the value of any such excise tax and any taxes imposed on the gross-up payment.

Under Mr. Lemley's 2024 Agreement, if a change in control of Pinnacle occurs before Mr. Lemley reaches age 65, and either he is employed by Pinnacle immediately prior to the change in control, or if his employment is terminated prior to the change in control and he can reasonably demonstrate that the termination was at the request of a third party who has taken steps reasonably calculated to effect the change in control or was in connection with or in anticipation of the change in control, he would be entitled to receive on the date of the change in control a lump sum payment in an amount calculated by determining his accrued benefit under the Retirement Plan projected to and calculated as if he had remained employed through age 65, with such calculation being made using adjustments to compensation as described in the 2024 Agreement and without regard to otherwise-applicable compensation or benefit limits under the Internal Revenue Code, then subtracting his accrued benefit actually accrued under the Retirement Plan on the date of calculation, and then converting the difference to a lump sum, in accordance with the lump sum conversion provisions in the Retirement Plan.

Under Mr. Lemley's 2024 Agreement, in the event of a covered termination following a change in control, Mr. Lemley would also be entitled to receive (i) a severance payment made in eight quarterly installments, with the total of such installments being equal to 2 times the sum of his highest annual base salary in effect at any time during the 36-month period ending on the date of the change in control, plus the greater of either Mr. Lemley's highest annual bonus paid under the Executive Incentive Plan during the 36-month period ending on the date of the change in control or Mr. Lemley's highest target bonus established by the Committee under the Executive Incentive Plan during the most recent performance period that ended on or before the date of the change in control. In addition, under his 2024 Agreement, Mr. Lemley would also receive a continuation of employee welfare benefits for two years following his termination of employment.

Under Mr. Lemley's 2024 Agreement, in the event the total payments and benefits payable would result in the imposition of an excise tax, Mr. Lemley would receive a gross-up payment for the value of any such excise tax and any taxes imposed on the gross-up payment.

Under each of the 2024 Agreements, payments to Messrs. Hall and Lemley may also be limited by applicable banking limitations on golden parachutes.

**Retirement Plan.** First National Bank maintains a non-contributory defined benefit retirement plan (the "Retirement Plan") covering substantially all employees who have reached the age of 21 and have been fully employed for at least one year. The Retirement Plan, sponsored by the VBA, provides participants with retirement benefits related to salary and years of credited service. Employees become vested after five plan years of service, with a minimum of 1,000 hours per year, and the normal retirement date is the first day of the month coinciding with or following the employee's 65th birthday. The Retirement Plan does not cover Directors who are not active employees. The current contribution formula for the Retirement Plan provides a retirement benefit that is calculated as 1% times average compensation times years of service (up to the maximum of 30 years of service) (for service before January 1, 2009, the percentage is 1.5% instead of 1.0%), 0.75% times average compensation times years of service (in excess of 30 years of service up to the maximum of 35 years of service) and is integrated for social security. The compensation taken into account under the Retirement Plan is limited by the Internal Revenue Code's compensation limit. The Retirement Plan has been changed over the years but benefits accrued prior to any change in formula will be preserved as required under applicable law. The present value of the accumulated benefit under the Retirement Plan as of December 31, 2024 was \$740,569 for Mr. Hall credited with 21 years of service and \$563,198 for Mr. Lemley credited with 25 years of service.

**2024 Supplemental Benefit Plan.** Effective January 1, 2024, Pinnacle established the Pinnacle Bankshares Corporation Supplemental Executive Retirement Plan (the "Supplemental Benefit Plan"). The Supplemental Benefit Plan is designed to provide benefits to certain eligible employees based on the benefit formula of the Retirement Plan but without regard to the Internal Revenue Code's compensation or benefit limits. An employee, including each of Messrs. Hall and Lemley, would be eligible to participate in the Supplemental Benefit Plan if the employee participates in the Retirement Plan, has benefits under the Retirement Plan that are limited by the Internal Revenue Code's compensation or benefit limits, and is selected by the Committee as a participant. Currently, Mr. Hall is the only participant in the Supplemental Benefit Plan. The present value of the Supplemental Benefit Plan for Mr. Hall as of December 31, 2024 was \$0 as Mr. Hall is not vested in the plan until May 7, 2025.

Subject to change in control provisions set forth in the Supplemental Benefit Plan, a participant generally must satisfy service-based conditions to vest in the benefit. The benefit is generally paid in monthly installments over a 15-year period that begins on the first day of the month following the earlier of the participant's termination of employment by Pinnacle or the date of the participant's 65<sup>th</sup> birthday. The benefit is calculated by determining the participant's accrued benefit under the Retirement Plan payable as a single life annuity at age 65, with such calculation being made without regard to otherwise-applicable

compensation or benefit limits under the Internal Revenue Code, then subtracting the participant's normal retirement benefit under the Retirement Plan on the date of calculation, and then reducing the difference for early payment beginning on the date of calculation in accordance with the reduction factors in the Retirement Plan (the "Supplemental Benefit"). The Supplemental Benefit is then multiplied by one-twelfth (1/12) to calculate the amount of each monthly installment to be paid over the 15-year period.

In the event of a "change in control" (as defined in the Supplemental Benefit Plan), a participant may be eligible to receive an amount equal to the then-present value of the Supplemental Benefit, payable in a single lump-sum payment upon the change in control (the "Supplemental CIC Benefit") rather than the monthly installments described in the preceding paragraph. To be eligible for the Supplemental CIC Benefit, the participant must be employed by Pinnacle on the date of the change in control, the participant's benefit under the Supplemental Benefit Plan must not have become payable, and the participant must not be a party to a change in control agreement that provides for benefits determined in full or in part based on a formula that considers the participant's Retirement Plan benefit without regard to otherwise-applicable compensation or benefit limits under the Internal Revenue Code. An eligible participant's lump sum Supplemental CIC Benefit will be calculated in the same manner as under the Retirement Plan as if the date of the change in control were the date of the participant's termination of employment. Payment of the Supplemental CIC Benefit will be made upon the change in control, regardless of whether the participant has satisfied the service-based vesting conditions. Any Supplemental CIC Benefit paid under these circumstances will be paid instead of, and not in addition to, payment under any other provision of the Supplemental Benefit Plan and will be in full satisfaction of any benefit payable under the Supplemental Benefit Plan.

***Profit Sharing/401(k) Plan.*** First National Bank maintains the 401(k) Plan originally effective January 1, 1997. The 401(k) Plan, sponsored by the VBA, authorizes a maximum elective pre-tax or Roth salary deferral of up to 96% of compensation, subject to statutory limitations, and also includes an automatic contribution provision. All full-time employees who have reached the age of 21 and have at least one month of service are eligible to participate. First National Bank is currently a qualified safe harbor plan and provides for safe harbor matching contributions equal to 100% of the first 1% of salary deferrals and 50% of the next 5% of salary deferrals. Contributions and earnings may be invested in various investment vehicles offered through the VBA. The 401(k) Plan also provides for discretionary employer profit-sharing contributions in such amounts, if any, as the Board determines. Employees become 100% vested in any employer contributions that may be made after two plan years of service. The amount expensed for the 401(k) Plan during the year ended December 31, 2024, was \$325,355.

## **PRINCIPAL ACCOUNTANT**

The Audit Committee has selected the firm of Cherry Bekaert LLP as the Company's independent registered public accounting firm to audit the books of the consolidated Company for the current year, to report on the consolidated statement of financial position and related statement of earnings of the Company, and to perform such other appropriate accounting services as may be required by the Audit Committee. Cherry Bekaert LLP audited the books of the consolidated Company for 2024. A representative of Cherry Bekaert LLP is expected to be present at the Annual Meeting and will be given the opportunity to make a statement if he so desires, and to respond to appropriate questions of the shareholders.

## **OTHER BUSINESS**

As of the date of this Proxy Statement, management of the Company has no knowledge of any matters to be presented for consideration at the Annual Meeting other than those referenced above. If any other matters properly come before the Annual Meeting, the persons named in the accompanying proxy intend to vote such proxy, to the extent entitled, in accordance with the determination of a majority of the Board.

## SHAREHOLDER PROPOSALS FOR 2026 ANNUAL MEETING

In accordance with the Company's Bylaws, proposals of shareholders intended to be presented at the 2026 Annual Meeting (other than Director nominations) must be received by the Company's Secretary no later than December 4, 2025, provided that if the 2026 Annual Meeting is held more than 30 days from May 13, 2026, such notice must be given not less than 90, nor more than 120, days prior to the date set for the 2026 Annual Meeting. In addition, the Board need not include an otherwise appropriate shareholder proposal in its proxy statement or form of proxy for the 2026 Annual Meeting unless the proposal meets the requirements of Rule 14a-8 under the Exchange Act and is received by the Company's Secretary, at the Company's principal office in Altavista, Virginia, on or before December 4, 2025, provided that if the 2026 Annual Meeting is held more than 30 days from May 13, 2026, the deadline for such a proposal is a reasonable time before the Company prints its proxy materials for the 2026 Annual Meeting.

The proxy solicited by the Board for the 2026 Annual Meeting will confer discretionary authority to vote on any shareholder proposal presented at the meeting if the Company has not received notice of such proposal by December 4, 2025, in writing delivered to the Company's Secretary.

By Order of the Board of Directors



Bryan M. Lemley  
*Secretary*

Altavista, Virginia  
April 3, 2025

**A copy of the Company's Annual Report for the year ended December 31, 2024, will be furnished without charge to shareholders upon written request directed to the Company's Secretary at the address set forth on the first page of this Proxy Statement.**