

FIRST BANCORP /NC/  
Form DEF 14A  
April 04, 2012

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934  
(Amendment No. \_\_)

Filed by the Registrant  S  
Filed by a Party other than the Registrant  o

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14A-12

FIRST BANCORP  
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

N/A

(2) Aggregate number of securities to which transactions applies:

N/A

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Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

N/A

(4) Proposed maximum aggregate value of transaction:

N/A

(5) Total fee paid:

N/A

**341 North Main Street**

**Troy, North Carolina 27371-0508**

**Telephone (910) 576-6171**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD THURSDAY, MAY 10, 2012**

**To Our Shareholders:**

The annual meeting of shareholders of First Bancorp (the “Company”) will be held at the James H. Garner Conference Center, 211 Burnette Street, Troy, North Carolina (see map on outside back cover) on Thursday, May 10, 2012 at 3:00 p.m. local time, for the purpose of considering and acting on the following matters:

1. A proposal to elect seventeen (17) nominees to the Board of Directors to serve until the 2013 annual meeting of shareholders, or until their successors are elected and qualified.
2. A proposal to ratify the appointment of Elliott Davis, PLLC as the independent auditors of the Company for 2012.
3. To approve, on a non-binding advisory basis, the compensation paid to the Company’s named executive officers, as disclosed in the accompanying proxy statement (“say on pay”).
4. To provide an advisory vote on the frequency of future shareholder “say on pay” advisory votes.
5. Such other business as may properly come before the meeting, or any adjournment thereof.

Only shareholders of record as of the close of business on March 23, 2012 are entitled to notice of and to vote at the annual meeting and any adjournment thereof.

**Whether or not you expect to be present at the annual meeting, please complete, date and sign the enclosed form of proxy and return it promptly in the enclosed envelope. If you attend the meeting, your proxy will be returned to you upon request. You may also vote by telephone or on the Internet, as described in the proxy statement and on the proxy card.**

**Please note that the attached form of proxy includes a request from the Company to indicate whether or not you plan to attend the annual meeting. For planning purposes, management of the Company would appreciate you filling in the appropriate box indicating whether or not you plan to attend the annual meeting. If you initially indicate that you are not planning to attend and later want to, or do not indicate one way or the other, you are still welcome and invited to attend the meeting.**

The proxy statement accompanying this notice sets forth further information concerning the proposals to be considered at the annual meeting. You are urged to study this information carefully.

Included in this package, in compliance with applicable regulations, is the Company's 2011 Annual Report, which includes a letter from the president, and the Company's Form 10-K. The Form 10-K includes the Company's financial statements and other required disclosures.

By Order of the Board of Directors

Anna G. Hollers

Secretary

April 4, 2012

**Important notice regarding the availability of proxy materials  
for the shareholder meeting to be held on May 10, 2012.**

**The Proxy Statement and 2011 Annual Report on Form 10-K  
are also available at [www.cfpproxy.com/3958](http://www.cfpproxy.com/3958).**

**First Bancorp**

**341 North Main Street**

**Troy, North Carolina 27371-0508**

**Telephone (910) 576-6171**

**PROXY STATEMENT**

**INTRODUCTION**

This proxy statement is furnished to the shareholders of First Bancorp (hereinafter sometimes referred to as the “Company”) by the Board of Directors in connection with its solicitation of proxies for use at the annual meeting of shareholders of the Company to be held on Thursday, May 10, 2012 at 3:00 p.m. local time, at the James H. Garner Conference Center, 211 Burnette Street, Troy, North Carolina (see map on outside back cover), and at any adjournment thereof. Action will be taken at the annual meeting on the items described in this proxy statement and on any other business that properly comes before the meeting.

This proxy statement and accompanying form of proxy are first being mailed to shareholders on or about April 4, 2012.

The accompanying proxy is for use at the 2012 Annual Meeting if a shareholder either will be unable to attend in person or will attend but wishes to vote by proxy. Most shareholders have a choice of voting by completing the enclosed proxy card and mailing it in the postage-paid envelope provided, voting over the Internet or using a toll-free number. Shareholders should refer to the proxy card or the information forwarded by the shareholder’s bank, broker or other holder of record to see which voting options are available. Shareholders who vote over the Internet may incur costs, such as telephone and Internet access charges, for which the shareholder is responsible. The Internet and telephone voting facilities for eligible shareholders of record will close at 3:00 a.m. Eastern Daylight Time on May 10, 2012. Specific instructions to be followed by any shareholder interested in voting via the Internet or telephone are shown on the enclosed proxy card. The Internet and telephone voting procedures are designed to authenticate the shareholder’s identity and to allow shareholders to vote their shares and confirm that their instructions have been properly recorded. In the event that the proxy card does not reference Internet or telephone voting information because the recipient is not the registered owner of the shares, the proxy card must be completed and returned in the self-addressed, postage-paid envelope provided.

If you hold your shares in street name, it is critical that you cast your vote if you want it to count in the election of our director nominees (Proposal 1 of this Proxy Statement). Until recently, if you held your shares in street name and you did not indicate how you wanted your shares voted in the election of directors, your bank or broker was allowed to vote those shares on your behalf in the election of directors as they felt appropriate. Recent changes in regulations were made to take away the ability of your bank or broker to vote your uninstructed shares in the election of directors on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your bank or broker how to vote in the election of directors, no votes will be cast on your behalf.

Any shareholder giving a proxy may revoke it at any time before a vote is taken by (i) duly executing a proxy bearing a later date; (ii) executing a notice of revocation in a written instrument filed with the secretary of the Company; or (iii) appearing at the meeting and notifying the secretary of the intention to vote in person. Unless a contrary choice is specified, all shares represented by valid proxies received pursuant to this solicitation, and not revoked before they are exercised, will be voted as set forth in this proxy statement. In addition, the proxy confers discretionary authority upon the persons named therein, or their substitutes, with respect to any other business that may properly come before the meeting.

The presence, in person or by proxy, of the holders of a majority of the outstanding shares of the Company's common stock entitled to vote is necessary to constitute a quorum at the annual meeting. If a quorum is not present or represented at the annual meeting, the shareholders present and entitled to vote have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. At any such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally notified. Abstentions from the vote on a particular proposal and broker non-votes will be counted as present for purposes of determining if a quorum is present, but will not be counted as votes on the proposal in question.

The Company will bear the entire cost of preparing this proxy statement and of soliciting proxies. Proxies may be solicited by employees of the Company, either personally, by special letter, or by telephone. Employees will not receive additional compensation for the solicitation of proxies. The Company also will request brokers and others to send solicitation material to beneficial owners of stock and will reimburse their costs for this purpose.

Only shareholders of record as of the close of business on March 23, 2012 (the "Record Date") will be entitled to vote at the annual meeting or any adjournment thereof. The number of outstanding shares of the Company's common stock entitled to vote at the annual meeting is 16,935,043. Shareholders are entitled to one vote for each share of the Company's common stock.

### PRINCIPAL HOLDERS OF VOTING SECURITIES

The Exchange Act requires that any person who acquires the beneficial ownership of more than five percent of the Company's common stock notify the Securities and Exchange Commission (the "SEC") and the Company. Following is certain information, as of the Record Date, regarding those persons or groups who held of record, or who are known to the Company to own beneficially, more than five percent of the outstanding common stock.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Blackrock Inc.  40 East 52 <sup>nd</sup> Street  New York, NY 10022	969,288 shares  of common stock	5.72%

### PROPOSAL 1 - ELECTION OF DIRECTORS

Section 3.02 of the Company's bylaws provides that the number of directors on the Board of Directors of the Company will be not less than three nor more than 18, as may be fixed by resolution duly adopted by the Board of Directors at or prior to the annual meeting at which such directors are to be elected. In accordance with the bylaws, the size of the board was previously fixed by the Board of Directors at 18 members until May 10, 2012. Effective with the Annual

Meeting of Shareholders on May 10, 2012, the size of the board has been fixed at 17 members.

In the absence of any specifications to the contrary, proxies will be voted for the election of all 17 of the nominees listed in the table below by casting an equal number of votes for each such nominee. If, at or before the time of the meeting, any of the nominees listed below becomes unavailable for any reason, the proxyholders have the discretion to vote for a substitute nominee or nominees. The board currently knows of no reason why any nominee listed below is likely to become unavailable. The 17 nominees receiving a plurality of votes cast shall be elected. This means that the 17 nominees with the most votes will be elected. Only votes "FOR" a nominee will affect the outcome.

The Company's Articles of Incorporation provide that, if cumulative voting applies, each shareholder is "entitled to multiply the number of votes he is entitled to cast by the number of directors for whom he is entitled to vote and cast the product for a single candidate or distribute the product among two or more candidates." Cumulative voting procedures will not be followed at the annual meeting unless a shareholder calls for cumulative voting as provided in the Company's Articles of Incorporation, by announcing at the meeting before the voting for directors starts, his or her intention to vote cumulatively. If cumulative voting is properly invoked by a shareholder, the chair shall declare that all shares entitled to vote have the right to vote cumulatively and shall thereupon grant a recess of not less than two days, nor more than seven days, as the chair shall determine, or of such other period of time as is unanimously agreed upon. If cumulative voting applies, the proxyholders may, in their discretion, vote the shares to which such proxies relate on a basis other than equally for each of the nominees named below and for less than all such nominees, but the proxyholders will cast such votes in a manner that would tend to elect the greatest number of such nominees (or any substitutes therefor in the case of unavailability) as the number of votes cast by them would permit.



## **NOMINATIONS FOR DIRECTOR**

Nominees for election to the Board of Directors are selected by the incumbent board prior to each annual meeting, and the nominees listed below were selected in that manner. Nominations from shareholders must be made in accordance with the Company's bylaws, which generally require such nominations to be made in writing and not less than 60 nor more than 90 days prior to the meeting at which directors are to be elected and to include certain information about the proposed nominee, in addition to other requirements.

A copy of the bylaw provision setting forth the complete procedure for shareholder nominations of directors may be obtained upon written request to First Bancorp, Post Office Box 508, 341 North Main Street, Troy, North Carolina 27371-0508, Attention: Anna G. Hollers, Secretary.

The Company's bylaws state that no individual may be elected to, or may serve on, the Board of Directors any time after his or her 75th birthday, except that if a director is elected to the Board of Directors prior to his or her 75th birthday and reaches the age of 75 while serving as a director, such director's term shall continue until the next annual meeting of shareholders, at which time the director shall retire. The bylaws allow the Board of Directors to make exceptions to this limitation in connection with mergers or acquisitions. The bylaws also state that the foregoing provisions do not apply to any individual during the time such individual is serving as chief executive officer of the Company.

See also "Director Nomination Process" included in the section entitled "Corporate Governance Policies and Practices" below.

## **DIRECTORS, NOMINEES AND EXECUTIVE OFFICERS**

The following table sets forth certain information as of December 31, 2011, with respect to the Company's current directors, the 17 nominees for election to the Board of Directors and the executive officers of the Company (all of these persons may be contacted at Post Office Box 508, 341 North Main Street, Troy, North Carolina 27371). The 17 nominees are all current directors. Each of the nominees has served on the Board of Directors since the 2011 Annual Meeting. Goldie Wallace, who is currently serving as a director, is not standing for re-election. The Board has not named a nominee to succeed this director, and pursuant to the Company's bylaws, the Board of Directors has adopted a resolution reducing the size of the Board to 17 effective upon the date of the 2012 Annual Meeting. Accordingly, only 17 directors may be elected at the Annual Meeting.

Each of the 17 nominees has indicated a willingness to serve if elected. The Board of Directors recommends a vote "FOR" the election of these nominees.

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## TABLE OF DIRECTORS, NOMINEES AND EXECUTIVE OFFICERS

		Common Stock Beneficially Owned (1)				
Name (Age)**	Current Director (D), Nominee (N), or Position with Company	Number of Shares Owned (excluding options)		Number of Shares That May Be Acquired within 60 Days by Exercising Options	Total Number of Shares Beneficially Owned	Percent of Class
<b>Directors and Nominees</b>						
Jerry L. Ocheltree (52)	President & CEO (D) (N)	32,430	(2)	19,602	52,032	*
Daniel T. Blue, Jr. (63)	(D) (N)	2,689		–	2,689	*
Jack D. Briggs (72)	(D) (N)	124,417	(3)	18,000	142,417	*
R. Walton Brown (59)	Exec. Vice President (D) (N)	21,672		18,460	40,132	*
David L. Burns (73)	(D) (N)	37,453		15,750	53,203	*
John F. Burns (64)	Exec. Vice President (D) (N)	78,792	(4)	4,043	82,835	*
Mary Clara Capel (53)	(D) (N)	5,673		11,250	16,923	*
James C. Crawford, III (55)	(D) (N)	60,027	(5)	4,500	64,527	*
R. Winston Dozier (55)	(D) (N)	16,596		–	16,596	*
James G. Hudson, Jr. (72)	(D) (N)	88,175	(6)	4,500	92,675	*
Richard H. Moore (51)	(D) (N)	2,618		–	2,618	*
George R. Perkins, Jr. (72)	(D) (N)	492,043		18,000	510,043	3.01%
Thomas F. Phillips (66)	(D) (N)	73,855	(7)	18,000	91,855	*
Frederick L. Taylor, II (42)	(D) (N)	16,145		11,250	27,395	*
Virginia C. Thomasson (60)	(D) (N)	15,518		18,000	33,518	*
Goldie H. Wallace (65)	(D)	99,766		18,000	117,766	*
Dennis A. Wicker (59)	(D) (N)	8,465		18,000	26,465	*
John C. Willis (69)	(D) (N)	319,472	(8)	18,000	337,472	1.99%
<b><u>Non-Director Executive Officers</u></b>						
	Executive Vice President,					
Anna G. Hollers (61)	Chief Operating Officer	122,749	(9)	16,775	139,524	*
	& Secretary					
Teresa C. Nixon (54)	Executive Vice President & Chief Lending Officer	45,159	(10)	16,198	61,357	*

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David G. Grigg (61)	Executive Vice President & Chief Information Officer	58,694	(11)6,453	65,147	*
	of First Bank				
Eric P. Credle (43)	Executive Vice President & Chief Financial Officer	20,850	(12)9,270	30,120	*
Timothy S. Maples (51)	Executive Vice President & Assistant Secretary; Chief Investment Officer of First Bank	31,443	(13)2,559	34,002	*
Lee C. McLaurin (50)	Executive Vice President & Controller	14,802	(14)5,559	20,361	*
Directors/Nominees and Non-Director Executive Officers as a Group (24 persons)		1,789,503	(15)272,169	2,061,672	12.17%

\* Indicates beneficial ownership of less than 1%.

\*\* Age information is as of April 4, 2012.

\*\*\* Ms. Nixon's employment with the Company ended on March 30, 2012.

Notes to Table of Directors, Nominees and Executive Officers:

- Unless otherwise indicated, each individual has sole voting and investment power with respect to all shares beneficially owned by such individual. The “Number of Shares Owned” in the table above includes executive officers’ reported shares in the 401(k) defined contribution plan, which are voted by the plan trustee and not by the shareholder for whom such shares are listed.
- (1)
- (2) Mr. Ocheltree’s shares include 9,275 shares held in the Company’s 401(k) defined contribution plan.
- (3) Mr. Brigg’s shares include 1,613 shares held as custodian for his daughter, 1,263 shares held as custodian for his grandchildren, and 39,886 shares held by his spouse.
- (4) Mr. J. Burns’ shares include 8,198 shares held in the Company’s 401(k) defined contribution plan.
- (5) Mr. Crawford’s shares include 6,325 shares held by his spouse and 6,600 shares held jointly with his children.
- (6) Mr. Hudson’s shares include 2,932 shares held by his spouse.
- (7) Mr. Phillips’ shares include 1,965 shares held by his spouse and 186 shares that his spouse owns jointly with two of their children.
- (8) Mr. Willis’ shares include 179,737 shares held by his spouse.
- (9) Ms. Hollers’ shares include 25,216 shares held in the Company’s 401(k) defined contribution plan and 23,075 shares held by her spouse.
- (10) Ms. Nixon’s shares include 18,928 shares held in the Company’s 401(k) defined contribution plan, 1,414 shares held by Ms. Nixon’s business interests, and 37 shares held in trust for a minor.
- (11) Mr. Grigg’s shares include 16,882 shares held in the Company’s 401(k) defined contribution plan.
- (12) Mr. Credle’s shares include 7,451 shares held in the Company’s 401(k) defined contribution plan.

- (13) Mr. Maples' shares include 6,316 shares held in the Company's 401(k) defined contribution plan.
  
- (14) Mr. McLaurin's shares include 8,222 shares held in the Company's 401(k) defined contribution plan.

The number of shares held by directors, nominees, and non-director executive officers includes 194,859 shares of the Company's stock that have been pledged as collateral by these persons for loans received from the Company (15) and other financial institutions, as follows: Mr. Brown – 20,894 shares; Mr. Hudson – 7,939 shares; Mr. Phillips – 32,976 shares; Ms. Wallace – 97,036 shares; Ms. Hollers – 5,331 shares; Ms. Nixon – 18,275 shares; and Mr. Credle – 12,408 shares.

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## Director Nominees

**Daniel T. Blue, Jr.**, 63, is the managing partner of the law firm Blue Stephens and Fellers LLP, located in Raleigh, North Carolina, where he has been an attorney since 1976. In 1980, Mr. Blue was elected to the North Carolina House of Representatives and was re-elected twelve times. From 1991 – 1995, Mr. Blue was twice elected Speaker of the North Carolina House of Representatives. Mr. Blue currently serves in the North Carolina Senate, representing Wake County. Mr. Blue is the immediate past Chair of the Board of Trustees of Duke University. He is also a member of the Duke University Health System and a former director of Duke University Management Company. Mr. Blue has been a director of the Company and First Bank since 2010.

Mr. Blue has an extensive background in law and public service, and has skills related to executive decision making, as well as oversight, governance and management of large organizations.

**Jack D. Briggs**, 72, is a funeral director and is president and owner of J. Briggs, Inc., Davidson Funeral Home, Inc., Carter Funeral Home, Inc., and Mountain View of Denton, Inc., and secretary of Piedmont Funeral Home. Mr. Briggs has been in the funeral director business since 1970. Mr. Briggs has been a director of the Company since its formation in 1983 and a director of First Bank since 1976.

Mr. Briggs brings entrepreneurial and business-building skills and experience to the Company, having successfully founded and acquired several businesses. Additionally, as owner and operator of a company, Mr. Briggs has over 42 years of experience overseeing the preparation of financial statements and the review of accounting matters.

**R. Walton Brown**, 59, was the chairman of the Board of Directors, President, and Chief Executive Officer of Carolina Community Bancshares, Inc., a bank holding company headquartered in Latta, South Carolina, from its inception in 1995 until its acquisition by the Company in January 2003. He served as the president of Carolina Community Bank, the bank subsidiary of Carolina Community Bancshares, and its predecessors from 1979 until January 2003, and now serves as Executive Vice President of the Company and First Bank. Mr. Brown has been a director of the Company and First Bank since 2003.

Mr. Brown has extensive financial industry experience and brings both financial services and corporate governance perspectives as a result of his work history.

**David L. Burns**, 73, served as President of Z.V. Pate, a Laurel Hill-based holding company for agricultural, timber, restaurant and retail sales interests, with over 1,000 employees, from 1983 until his retirement at the end of 2009. He currently serves as Chair of the Board of Directors of Z.V. Pate. Mr. Burns has been a director of the Company since

1988 and a director of First Bank since 1992.

During his long tenure as a board member, Mr. Burns has developed knowledge of the Company's business, history, organization, and executive management that has enhanced his ability as a director. Mr. Burns also brings executive decision making skills and business acumen resulting from his work history with Z.V. Pate. He has also demonstrated his leadership skills with his involvement in numerous professional and civic organizations.

**John F. Burns**, 64, served as a director and President and Chief Executive Officer of First Savings Bancorp, Inc. when First Savings merged with the Company in 2000, having been employed by First Savings since 1972. Since 2000, he has served as a director of the Company and First Bank and has been employed as an Executive Vice President of the Company and First Bank.

Mr. Burns has over 39 years of banking experience and brings both financial services and corporate governance perspectives as a result of his work history.

**Mary Clara Capel**, 53, is a member of senior management as the director of administration at Capel, Incorporated, a rug manufacturer, importer and exporter located in Troy, North Carolina, where she has been employed since 1981, including ten years in her current position. She is also the owner of a retail business in Chapel Hill, North Carolina. Ms. Capel has been a director of the Company and First Bank since 2005.



Ms. Capel brings business executive decision making and oversight skills as a result of her 30 years of experience with a third-generation family business, which has grown from its rug manufacturing operation in Troy, North Carolina to importing and exporting rugs worldwide.

**James C. Crawford, III**, 55, served on the Board of Directors, including as its Chairman, of Great Pee Dee Bancorp, Inc., a bank holding company headquartered in Cheraw, South Carolina, from 1992 until its acquisition by the Company in April 2008. Mr. Crawford is the retired Chairman and Chief Executive Officer of B.C. Moore and Sons, Inc., a department store chain. Mr. Crawford has been a director of the Company and First Bank since 2008.

Mr. Crawford brings extensive experience with accounting and finance, as well as oversight and management of multiple businesses.

**R. Winston Dozier**, 55, is the former owner and operator of Quik Chek, Inc., a convenience store with 34 locations, headquartered in Troy, North Carolina. Mr. Dozier owned and operated Quik Chek from 1980 until its sale in 2006. Mr. Dozier has been a director of the Company and First Bank since 2010.

Mr. Dozier brings entrepreneurial and business-building skills and experience to the Company, having successfully managed his own company for 26 years. Additionally, as owner and operator of a company, Mr. Dozier brings many years of experience overseeing the preparation of financial statements and the review of accounting matters.

**James G. Hudson, Jr.**, 72, served as a director and President and Chief Executive Officer of Century Bancorp, Inc., a bank holding company headquartered in Thomasville, North Carolina, at the time of its acquisition by the Company in 2001, having been employed with Century Bancorp since 1972. Mr. Hudson has served as a director of the Company and First Bank since 2001. He was employed as an Executive Vice President of First Bank from 2001 until his retirement in May 2008.

Mr. Hudson has over 39 years of banking experience and brings both financial services and corporate governance perspectives as a result of his work history.

**Richard H. Moore**, 51, serves as a managing director of San Diego-based Relational Investors LLC, a Registered Investment Advisor that advises the investment decisions of some of the largest pension funds in the world. He has served in this role since April 2009. Prior to joining Relational Investors, Mr. Moore served two terms as State Treasurer of North Carolina. Mr. Moore also previously served as Chair of the North Carolina State Banking Commission for eight years. Mr. Moore served two terms on the Board of Executives of the New York Stock Exchange and continues to serve on the New York Stock Exchange Regulation board. Mr. Moore was previously an

Assistant U.S. Attorney and also practiced corporate, real estate and tax law for many years. Mr. Moore is currently a trustee of Wake Forest University and serves on its Investment Committee. Mr. Moore is also a director of the Durham-based North Carolina Mutual Life Insurance Company. Mr. Moore has been a director of the Company and First Bank since 2010.

Mr. Moore's career has provided him with extensive financial and accounting experience and gives him keen insight with respect to budget and audit matters, as well as the oversight, governance and management of larger organizations.

**Jerry L. Ocheltree**, 52, was named as the President and Chief Executive Officer of the Company as of January 1, 2007. He was named as the President of First Bank in September 2005, a position he still holds. Mr. Ocheltree joined First Bank in 1998, serving as a Senior Vice President – Regional Executive until his election as President. Mr. Ocheltree has been a director of the Company since 2006 and First Bank since 2005.

Mr. Ocheltree brings deep institutional knowledge and perspective regarding the Company's strengths, challenges and opportunities. He also has extensive banking experience.

**George R. Perkins, Jr.**, 72, is the retired Chief Executive Officer of Frontier Spinning Mills, Inc., a yarn manufacturer located in Sanford, North Carolina. Mr. Perkins served in this role from 1996 until his retirement in 2009. Mr. Perkins has been a director of the Company and First Bank since 1996.

Mr. Perkins brings executive decision making skills and business acumen to the Company as a result of his professional experience in the textile industry.

**Thomas F. Phillips**, 66, is an automobile dealer and owner of Phillips Ford, located in Carthage, North Carolina. He served as a director of First Savings Bancorp, Inc. from 1985 until its merger with the Company in 2000. Mr. Phillips has served as a director of the Company and First Bank since 2000. Mr. Phillips currently serves as the Chair of the Board of Directors of the Company.

Mr. Phillips brings over 27 years of financial experience gained during his director terms with First Savings Bancorp and the Company. Mr. Phillips has extensive skills in accounting, finance and risk management.

**Frederick L. Taylor, II**, 42, is President of Troy Lumber Company, located in Troy, North Carolina, where he has been employed since 1992. Mr. Taylor has been a director of the Company and First Bank since 2005.

Mr. Taylor brings business-building skills and experience to the Company. Additionally, Mr. Taylor has experience in overseeing the preparation of financial statements and review of accounting matters.

**Virginia Thomasson**, 60, is a Certified Public Accountant with the firm Holden, Thomasson, & Longfellow, P.C., located in Southern Pines, North Carolina, where she has been a partner since 1988. She served as a director of First Savings Bancorp, Inc. from 1997 until its merger with the Company in 2000. Ms. Thomasson has served as a director of the Company and First Bank since 2000. Ms. Thomasson has been designated as an “audit committee financial expert” in accordance with SEC regulations.

Ms. Thomasson brings to the Company experience and skills in public accounting and over 14 years of financial industry experience.

**Dennis A. Wicker**, 59, is a partner in the law firm Nelson Mullins Riley and Scarborough, LLP, located in Raleigh, North Carolina, a position he has held since 2009. From 2008 to 2009, Mr. Wicker was a shareholder and a member of the Executive Committee of the law firm of SZD Wicker, LPA, and from 2001 to 2008 he was a partner in the law firm of Helms, Mullis & Wicker, LLP. Mr. Wicker served as Lieutenant Governor of North Carolina from 1993 to 2001. Mr. Wicker has been a director of the Company and First Bank since 2001. For each of the past five years, Mr. Wicker has also been a director of the following public companies: Coca Cola Bottling Company Consolidated and Air T, Inc.

Mr. Wicker has an extensive background in law and public service and brings to the Company executive decision making, governance and risk assessment skills.

**John C. Willis**, 69, is a private investor in restaurant and real estate interests. Mr. Willis has been a director of the Company since its formation in 1983 and a director of First Bank since 1980.

During his long tenure as a board member, Mr. Willis has developed knowledge of the Company's business, history, organization, and executive management that has enhanced his ability as a director.

### **Executive Officers**

In addition to Mr. Brown, Mr. J. Burns, and Mr. Ocheltree, the executive officers of the Company and First Bank are as follows:

**Anna G. Hollers**, 61, is Chief Operating Officer, Executive Vice President, and Secretary of the Company and First Bank. Ms. Hollers has served as Secretary of the Company and First Bank since 1983, as Executive Vice President of the Company and First Bank since 1994, and was named Chief Operating Officer in 2005. She has been employed by the Company since its formation in 1983 and by First Bank since 1972.

**Teresa C. Nixon**, 54, was Executive Vice President and the Chief Lending Officer of First Bank until March 30, 2012. She served as Chief Lending Officer since joining First Bank in 1989 and as Executive Vice President of First Bank since 1994.

**David G. Grigg**, 61, is an Executive Vice President and is the Chief Information Officer of First Bank. He has served as Chief Information Officer and Executive Vice President since 2010, and has served in similar capacities with the Company since 1972.

**Eric P. Credle**, 43, is an Executive Vice President and has served as the Chief Financial Officer of the Company and First Bank since joining the Company in 1997.

**Timothy S. Maples**, 51, is an Executive Vice President and Assistant Secretary of the Company and First Bank and Investment Officer of First Bank. He served as Senior Vice President of the Company and First Bank from 2000 to 2010 and has served as Investment Officer of First Bank since joining the Company in 2000. He has served as Assistant Secretary of the Company and First Bank since 2005.

**Lee C. McLaurin**, 49, is an Executive Vice President and has served as the Controller of the Company and First Bank since joining the Company in 1987. He served as Senior Vice President of the Company and First Bank from 1987 to 2010.

**BOARD COMMITTEES AND ATTENDANCE**

The Board of Directors has established five standing committees: the Executive Committee, the Strategic Planning Committee, the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. In addition, the Board of Directors may establish other committees from time to time for specific purposes. The following table presents the 2012 membership of the committees that are described below. The chair of each committee is noted with a “(c)”. Following the table is additional information regarding each committee.

	Executive and Loan Committee	Strategic Planning Committee	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Daniel T. Blue, Jr.	X		X		
Jack D. Briggs	X		X	X	X
R. Walton Brown					
David L. Burns	X	X	X	X	X
John F. Burns					
Mary Clara Capel	X	X	X	X	X