

## TO ALL EMPLOYEES AND APPLICANTS FOR EMPLOYMENT:

For years First State Bank has followed an established Policy of nondiscrimination in matters relating to hiring and the treatment of its employees. We wish to reiterate and reemphasize that Policy.

First State Bank's policy is to provide equal employment opportunities without regard to race, color, age (40 and over), gender, sexual orientation, gender identity, national origin, religion, status as an individual with a disability, or protected veteran status where otherwise qualified. This policy, as well as the Bank's affirmative action obligations for qualified individuals with disabilities and protected veterans, include the full support of the Bank, including its President & CEO.

This Policy will be pursued in hiring, placement, upgrading, and other status changes, and in all other matters concerning treatment of our personnel. In this regard, we invite qualified individuals with disabilities, Disabled Veterans,<sup>1</sup> Recently Separated Veterans,<sup>2</sup> Active-Duty Wartime or Campaign Badge Veterans,<sup>3</sup> and Armed Forces Service Medal Veterans<sup>4</sup> to identify themselves if they wish to do so. This voluntary disclosure may be provided to us at this time or at any time in the future. Such information will, to every extent possible, be kept confidential and will be used only for purposes in keeping with federal law. Submission of this information is voluntary, and refusal to provide it will not subject you to any adverse treatment. The Bank has also developed written affirmative action programs for individuals with disabilities and protected veterans which may be inspected in the Sr. VP/HR Officer's office during normal business hours.

It is also the policy of First State Bank that no employee nor applicant for employment shall be subjected to harassment, intimidation, threats, coercion or discrimination because they engage in any of the following activities: (1) filing a complaint, (2) assisting or participating in an investigation, compliance evaluation, hearing, or any other activity related to the administration of the affirmative action provisions of Section 503 of the Rehabilitation Act of 1973 or the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended

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<sup>1</sup>**"Disabled Veteran"** is one of the following: (a) A veteran of the U.S. military, ground, naval or air force who is entitled to compensation (or who but for the receipt of military retired pay would be entitled to compensation) under laws administered by the Secretary of Veterans Affairs; or (b) a person who was discharged or released from active duty because of a service-connected disability.

<sup>2</sup>**"Recently Separated Veteran"** means any veteran during the three-year beginning on the date of such veteran's discharge or release from active duty in the U.S. military, ground, naval, or air service.

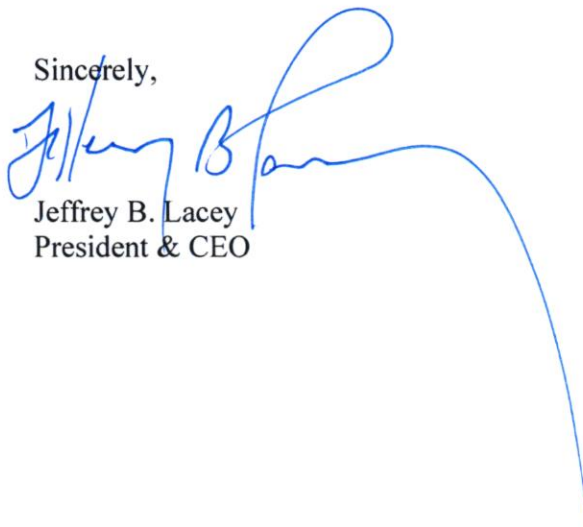
<sup>3</sup>**"Active-Duty Wartime or Campaign Badge Veterans"** means a veteran who served on active duty in the U.S. military, ground, naval or air service during a war, or in a campaign or expedition for which a campaign badge has been authorized under the laws administered by the Department of Defense.

<sup>4</sup>**Armed Forces Service Medal Veteran** means a veteran who, while serving on active duty in the U.S. military, ground, naval or air service, participated in a United States military operation for which an Armed Forces service medal was awarded pursuant to Executive Order 12985.

(VEVRAA) or any other federal, state or local law requiring equal opportunity for individuals with disabilities or protected veterans, (3) opposing any act or practice made unlawful by Section 503, VEVRAA or any other federal, state or local law requiring equal opportunity for individuals with disabilities or protected veterans, or (4) exercising any other right protected by Section 503, VEVRAA or its implementing regulations.

To maintain a sound competitive position for the Bank to ensure the security of the jobs of all personnel, each job will be staffed by an individual who is competent and whose experience and employment record demonstrates that the individual is qualified for the job. First State Bank will treat all employees fairly and will provide them the opportunity to progress within the organization to the full extent of the capacity of the employee and the capacity of the Bank.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey B. Lacey", with a long, sweeping horizontal line extending to the right.

Jeffrey B. Lacey  
President & CEO