

Uwharrie Capital Corp
132 North First Street
Albemarle, North Carolina 28001

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
and
NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS

NOTICE is hereby given that the Annual Meeting of Shareholders of Uwharrie Capital Corp (the “Company”) will be held as follows:

Place: Uwharrie Capital Corp
Uwharrie Boardroom
132 North First Street
Albemarle, North Carolina 28001

Date: Tuesday, May 12, 2020

Time: 10:00 a.m. Business Meeting

The purposes of the meeting are:

1. To elect seven (7) directors to three (3) year terms;
2. To ratify a non-binding shareholder resolution regarding executive compensation;
3. To ratify a non-binding shareholder resolution regarding the frequency of future advisory votes on executive compensation;
4. To ratify the appointment of Dixon Hughes Goodman LLP as the Company’s independent registered public accounting firm for 2020; and
5. To transact such other business as may properly be presented for action at the meeting.

We have elected to furnish our proxy solicitation materials via U.S. mail and also to notify you of the availability of our proxy materials on the internet. The notice of annual meeting, proxy statement, proxy card and annual report are available at www.proxyvote.com.

Special Note Regarding Covid-19. Given the public health and safety concerns related to severe acute respiratory syndrome coronavirus 2 and the resulting Covid-19 disease, we ask that each shareholder evaluate the relative benefits to them personally of in-person attendance at the annual meeting and take advantage of the ability to vote by proxy via internet or telephone, as instructed on the enclosed proxy card. If you elect to attend in person, we ask that you follow recommended guidance, mandates, and applicable executive orders from federal and state authorities, particularly as they relate to social distancing and attendance at public gatherings. If you are not feeling well or think you may have been exposed to Covid-19, we ask that you vote by proxy for the meeting. Should further developments with Covid-19 necessitate that we change any material aspects of the annual meeting, we will make public disclosure of such changes. We thank you for your cooperation as we balance opportunities for shareholder engagement with the safety of our community and each of our shareholders.

By Order of the Board of Directors

Tamara M. Singletary
Executive Vice President and Corporate Secretary

April 6, 2020

Uwharrie Capital Corp
132 North First Street
Albemarle, North Carolina 28001
704-982-4415

PROXY STATEMENT

Mailing Date: On or About April 6, 2020

ANNUAL MEETING OF SHAREHOLDERS

This Proxy Statement is being furnished in connection with the solicitation by the Board of Directors of Uwharrie Capital Corp (the “Company”) of appointments of proxy for use at the annual meeting of the Company’s shareholders (the “Annual Meeting”) to be held on May 12, 2020, at 10:00 a.m., at Uwharrie Capital Corp, Uwharrie Boardroom, 132 North First Street, Albemarle, North Carolina, and at any adjournments thereof. The Company’s proxy solicitation materials are being mailed on or about April 6, 2020 to shareholders of record as of March 12, 2020.

Voting of Proxies

Persons named in the enclosed appointment of proxy to represent shareholders at the Annual Meeting are Roger L. Dick, R. David Beaver III and Christy D. Stoner (the “Proxies”). Shares represented by each appointment of proxy that is properly executed, returned and not revoked, will be voted in accordance with the directions contained therein. If no directions are given, such shares will be voted “**FOR**” the election of each of the seven nominees for director named in Proposal 1, “**FOR**” Proposals 2 and 4, and in favor of “**THREE YEARS**” for Proposal 3. If, at or before the time of the Annual Meeting, any nominee named in Proposal 1 has become unavailable for any reason, the Proxies will be authorized to vote for a substitute nominee. On such other matters as may come before the meeting, the Proxies will be authorized to vote in accordance with their best judgment.

Record Date

The close of business on March 12, 2020 has been fixed as the record date (the “Record Date”) for the determination of shareholders entitled to notice of and to vote at the Annual Meeting. Only shareholders of record on the Record Date will be eligible to vote on the proposals described herein.

Voting Securities

The Company’s voting securities are the shares of its common stock, par value \$1.25 per share, of which 20,000,000 shares are authorized and 6,984,582 shares were outstanding on March 12, 2020. There were approximately 2,642 record shareholders of the Company’s common stock on March 12, 2020. This number does not include shareholders for whom shares are held in “nominee” or “street” name.

The Company's Articles of Incorporation also authorize the issuance of up to 10,000,000 shares of preferred stock, no par value, having such rights, privileges and preferences as the Board of Directors shall designate from time to time. As of March 12, 2020, there were no shares of the Company's preferred stock outstanding.

Voting Procedures; Quorum; Votes Required for Approval

At the Annual Meeting, each shareholder will be entitled to one vote for each share of common stock held of record on the Record Date on each matter submitted for voting and, in the election of directors, for each director to be elected. Shareholders will not be entitled to vote cumulatively in the election of directors.

A majority of the shares of the Company's common stock issued and outstanding on the Record Date must be present in person or by proxy to constitute a quorum for the conduct of business at the Annual Meeting.

Assuming a quorum is present, in the case of Proposal 1 below, the seven nominees receiving the greatest number of votes shall be elected. In the case of Proposals 2 and 4, for each such proposal to be approved, the number of votes cast in favor of the proposal must exceed the number of votes cast against the proposal. In the case of Proposal 3, the option receiving the greatest number of votes will be considered the frequency recommended by shareholders. Abstentions and broker non-votes will have no effect.

Revocation of Appointment of Proxy

Any shareholder who executes an appointment of proxy has the right to revoke it at any time before it is exercised by filing with the Secretary of the Company either an instrument revoking it or a duly executed appointment of proxy bearing a later date, or by attending the Annual Meeting and voting in person.

Expenses of Solicitation

The Company will pay the cost of preparing, assembling and mailing this Proxy Statement. Appointments of proxy also may be solicited personally, by mail, internet or telephone by the directors, officers and employees of the Company and its subsidiaries without additional compensation. The Company will reimburse banks, brokers and other custodians, nominees and fiduciaries for their costs in sending the proxy materials to beneficial owners.

Authorization to Vote on Adjournment and Other Matters

Unless the Secretary of the Company is instructed otherwise, by signing an appointment of proxy, shareholders will be authorizing the Proxies to vote in their discretion regarding any procedural motions that may come before the Annual Meeting. For example, this authority could be used to adjourn the Annual Meeting if the Company believes it is desirable to do so. Adjournment or other procedural motions could be used to obtain more time before a vote is taken in order to solicit additional appointments of proxy to establish a quorum or to provide additional information to shareholders. However, appointments of proxy voted against any one of the

proposals will not be used to adjourn the Annual Meeting. The Company does not have any plans to adjourn the meeting at this time, but intends to do so, if needed, to promote shareholder interests.

Beneficial Ownership of Securities by Directors, Nominees and Executive Officers

As of March 26, 2020, no shareholder known to management beneficially owned more than 5% of the Company's common stock.

The following table lists the individual beneficial ownership of the Company's common stock as of March 26, 2020, by the Company's current directors, nominees for director and named executive officers, and by all current directors, nominees, and executive officers of the Company as a group. Current directors, nominees and executive officers as a group beneficially owned 8.95% of the Company's common stock on such date.

<u>Name of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership</u> ⁽¹⁾⁽²⁾	<u>Percent of Class</u>
Merlin Amirtharaj	1,310	*
R. David Beaver, III	39,015 ⁽³⁾	*
Dean M. Bowers	6,389 ⁽⁴⁾	*
Joe S. Brooks	33,844 ⁽⁵⁾	*
James O. Campbell	3,032	*
Roger L. Dick	319,166 ⁽⁶⁾	4.57%
Brendan P. Duffey	66,598	*
Tara G. Eudy	1,787	*
Deidre B. Foster	1,310	*
Allen K. Furr	6,296 ⁽⁷⁾	*
Thomas M. Hearne, Jr.	21,799	*
Matthew R. Hudson	1,310	*
Harvey H. Leavitt, III	4,044 ⁽⁸⁾	*
W. Chester Lowder	4,246 ⁽⁹⁾	*
Wesley A. Morgan	3,897	*
Cynthia L. Mynatt	3,659	*
James E. Nance	43,941 ⁽¹⁰⁾	*
Chris M. Poplin	9,403 ⁽¹¹⁾	*
Frank A. (Alex) Rankin, III	43,139	*
Randy T. Russell	1,203	*
Vernon A. Russell	7,967 ⁽¹²⁾	*
Matthew A. Shaver, MD	1,895 ⁽¹³⁾	*
All current directors, nominees and executive officers as a group (22 persons)	625,250	8.95%

* Less than 1% of outstanding shares.

- (1) Except as otherwise noted, to the best knowledge of management of the Company, the individuals named or included in the group above exercise sole voting and investment power with respect to all shares shown as beneficially owned. The calculations of the percentage of class beneficially owned by each individual are based on a total of 6,984,582 shares outstanding on March 26, 2020. As of such date, none of the identified individuals owned any stock options entitling the option holder to acquire shares of Company common stock.
- (2) Includes shares over which the named individual shares voting and investment power as follows: Mrs. Amirtharaj – 1,310 shares; Mr. Beaver – 20,524 shares; Mr. Brooks – 17,143 shares; Mr. Duffey – 53,592 shares; Mrs. Eudy – 267 shares; Mrs. Foster – 1,310 shares; Mr. Furr – 1,194 shares; Mr. Hudson – 1,310 shares; Mr. Lowder – 2,836 shares; Mr. Nance – 14,518 shares; Mr. Poplin – 4,823 shares; and Dr. Shaver – 1,310 shares.
- (3) Includes 15,055 shares held by the Uwharrie Capital Corp Supplemental Executive Retirement Plan for the benefit of R. David Beaver, III, with respect to which Frank Rogers Brafford, II, serves as trustee.
- (4) Includes 938 shares held by Mr. Bowers as custodian for his child.
- (5) Includes 365 shares held by Mr. Brooks’s adult child.
- (6) Includes 248,123 shares held by the Uwharrie Capital Corp Supplemental Executive Retirement Plan for the benefit of Roger L. Dick, with respect to which Frank Rogers Brafford, II, serves as trustee.
- (7) Includes 201 shares held by Mr. Furr’s spouse and 8 shares held by his spouse as custodian for a minor daughter.
- (8) Includes 186 shares held by Mr. Leavitt’s spouse.
- (9) Includes 747 shares held by Mr. Lowder’s adult child.
- (10) Includes 14,634 shares held by Mr. Nance as custodian for his daughters and 7,317 shares owned by Mr. Nance’s spouse.
- (11) Includes 4,580 shares held by a trust of which Mr. Poplin is a co-trustee. In this capacity, Mr. Poplin shares voting and investment control over these shares.
- (12) Includes 2,133 shares held by Mr. Russell’s spouse.
- (13) Includes 585 shares held by Dr. Shaver’s mother-in-law as custodian for his spouse.

Delinquent Section 16(a) Reports

Directors and executive officers of the Company are required by federal law to file reports with the Securities and Exchange Commission (“SEC”) regarding the amount of and changes in their beneficial ownership of the Company’s common stock. To the knowledge of the management of the Company based upon information supplied to the Company by the directors and executive officers, all required reports of directors and executive officers of the Company were timely filed during the fiscal year ended December 31, 2019.

PROPOSAL 1: ELECTION OF DIRECTORS

Nominees

The Company’s Bylaws currently provide for a Board of Directors composed of not less than twelve nor more than twenty-one members divided into three classes of directors who are elected to staggered terms of three years. The Board of Directors has set the number of directorships at nineteen. The Board of Directors has nominated the seven persons named in the following table for election by shareholders at the Annual Meeting as directors of the Company, each to serve for the term of office indicated or otherwise until their respective successors are duly elected and qualified.

<u>Name and Age</u>	<u>Length of Term</u>	<u>Position with Company</u>	<u>Year First Elected</u>	<u>Principal Occupation and Business Experience for the Past Five Years</u>
<i>Three-Year Terms:</i>				
Merlin Amirtharaj (61)	3 years	Director	2019	Retired; previously, Associate Vice President of the School of Business and Technology, Stanly Community College, Albemarle, NC
Joe S. Brooks (70)	3 years	Director	1997	Owner and Manager, Brothers Precision Tool Co., Albemarle, NC, (tool and die machine shop)
W. Chester Lowder (71)	3 years	Director	1995	Retired; previously, Director of Livestock Program, Public Policy Division, NC Farm Bureau Federation, Incorporated, Raleigh, NC
Wesley A. Morgan (51)	3 years	Director	2018	General Manager, Rolling Hills Gin, LLC, New London, NC, (a cotton ginning operation)
Frank A. Rankin, III (64)	3 years	Director	2003	Chair, Board of Directors, Concord Engineering & Surveying, Inc., Concord, NC
Randy T. Russell (39)	3 years	Director	2018	President, Sports Med Properties, LLC, Charlotte, NC, (a full-service commercial real estate company)
Matthew A. Shaver, MD (37)	3 years	Director	2019	General Surgeon, Atrium Health Stanly, and Medical Director of Albemarle Surgical Associates, Albemarle, NC

**THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE
“FOR” EACH OF THE NOMINEES NAMED IN PROPOSAL 1 ABOVE.**

Incumbent Directors

The Company’s current Board of Directors includes twelve directors whose terms will continue after the Annual Meeting. The following table contains information about those twelve incumbent directors.

<u>Name and Age</u>	<u>Current Term Expires</u>	<u>Year First Elected</u>	<u>Principal Occupation and Business Experience for the Past Five Years</u>
Dean M. Bowers (51)	2021	2018	Regional Sales Manager/Co-Owner, Quality Equipment, LLC, Albemarle, NC, (a John Deere equipment dealership)
James O. Campbell (63)	2021	2011	Vice President of Construction Sales, AvidXchange, Inc., Charlotte, NC, (a provider of on-demand accounts payable management and automated payment solutions)
Tara G. Eudy (53)	2021	2005	President and Treasurer, Carolina Title Company, Inc., Wadesboro, NC
Deidre B. Foster (48)	2021	2019	Community Volunteer and Non-Profit Board Member, Charlotte, NC
Allen K. Furr (41)	2021	2018	Secretary/Treasurer, PEJA, Inc., DBA East Albemarle Xpress Lube, Albemarle, NC, (an automotive service business)
Thomas M. Hearne, Jr. (69)	2022	2004	Retired; previously, Geopavement Engineer, North Carolina Department of Transportation, Harrisburg, NC
Matthew R. Hudson (42)	2022	2019	General Manager and Vice President, Hudson Pool Distributors, Inc., New London, NC
Harvey H. Leavitt, III (61)	2022	2007	Owner/Operator, Leavitt Funeral Home, Wadesboro, NC
Cynthia L. Mynatt (64)	2022	2003	President, Ben Mynatt Buick - GMC, Concord, NC
James E. Nance (68)	2022	1984	Founder and Managing Member, North State Acquisitions, LLC, Albemarle, NC, (a real estate firm specializing in highway and municipal right-of-way negotiations, acquisitions, and claim settlements)

<u>Name and Age</u>	<u>Current Term Expires</u>	<u>Year First Elected</u>	<u>Principal Occupation and Business Experience for the Past Five Years</u>
Chris M. Poplin (56)	2022	2019	Chief Financial Officer and Chief Operating Officer, Faison Enterprises, Inc., Charlotte, NC, (a private equity firm focused on commercial real estate)
Vernon A. Russell (63)	2022	2003	Attorney and Owner, Vernon A. Russell, Attorney at Law, PLLC, Concord, NC, March 2019-Present; previously, Principal and Partner, Plummer Russell & Plummer, PLLC, (a law firm)

In the table above, the year first elected indicates the year in which each individual was first elected a director of Uwharrie Bank or its predecessors, or the Company, as applicable, and does not reflect any break(s) in tenure.

Qualifications of Directors

A description of the specific experience, qualifications, attributes, or skills that led to the conclusion that each of the nominees and incumbent directors should serve as a director of the Company is presented below. Each of the Company's directors also serves as a director of the Company's subsidiary, Uwharrie Bank.

Merlin Amirtharaj

Mrs. Amirtharaj started her career at Stanly Community College, Albemarle, NC, in 1988 as an adjunct instructor. She later advanced to Program Head, Department Head, Associate Dean, Dean, and retired as an Associate Vice President of the School of Business and Technology in July of 2018. Prior to joining Stanly Community College, she was a software programmer/analyst at Knowledgeable Solutions, Inc. in Monroe, NC.

She graduated with a Bachelor of Science Degree from the University of Kerala, India. Upon moving to the United States, she obtained an Associate in Arts Degree in Business Computer Programming. During this time, she was active in Phi Beta Lambda, business organization and served as an officer. In 1992, she graduated from Pfeiffer College (University) with a Master's Degree in Business Administration with a concentration in Finance. In 2002, she obtained a Master's Degree in Management Information Systems from Bellevue University. During her tenure at Stanly Community College, she also held several Novell and Microsoft certifications.

Mrs. Amirtharaj also served as Faculty Senate Chair, Chair of several Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) sub-committees. She was a member of the North Carolina Computer Instruction Association and served on the leadership team for several years and was responsible for hosting the North Carolina Computer Instruction Conference at Stanly Community College with 280 attendees. She served as a co-advisor of Phi Beta Lambda for over 20 years, was involved with the Health and Wellness Program at Stanly Community College, and was involved in start-ups of several programs at the college to keep up with the demands of the community. She is currently an advisory board member for the Accounting and Business Department at the college.

In years past, she has served on the former Stanly Memorial Hospital Board, the Stanly County Arts Council and the Albemarle Downtown Development Corporation Board. She is currently a member of the Stanly County Community Foundation Committee and a member of its Grants Sub-Committee. Mrs. Amirtharaj is an active member of Main Street United Methodist Church of Albemarle.

Mrs. Amirtharaj has extensive experience in education, leadership, business and technology.

Dean M. Bowers

Mr. Bowers has over thirty years of experience in the agricultural equipment industry. He is the Regional Sales Manager/Co-owner of Quality Equipment, LLC. Quality Equipment, LLC is a farm equipment retail business selling John Deere farm equipment, irrigation equipment and precision agricultural equipment with twenty-seven locations throughout North Carolina and Virginia.

He graduated from Appalachian State University, Boone, NC, with a dual degree in Marketing and Management. An avid ASU supporter, Mr. Bowers has served on the Appalachian Corporate Council and the ASU Alumni Council.

He was an integral member of the advisory board to create an accredited Agricultural Systems Technology program at Wake Tech. He has served on the Board of Adjustments for the City of Albemarle and was a member of the Church Council for First Lutheran Church of Albemarle.

Mr. Bowers has extensive experience in the agriculture industry and business management.

Joe S. Brooks

Mr. Brooks is the owner and manager of Brothers Precision Tool Co., a tool and die machine shop, in Albemarle, NC. He started the business in 1974 with other family members. The company currently employs five and specializes in high precision machine parts for a variety of industries. For over 13 years, he was also an instructor of Machine Technology at Stanly Community College, Albemarle, NC. Additionally, through Stanly Community College, he has performed machine technology in-facility training at various companies.

Mr. Brooks served on the Stanly Regional Medical Center Foundation Board and served as Chairman from 2008 to 2010. He actively served his church on its council and executive committee and served as church treasurer from 1998 to 2017. In 2014, he was appointed by the North Carolina State Governor to the Stanly Community College Board of Trustees, serving from 2016 to 2018 as Finance and Facilities Committee Chairman and 2019-2020 Board Chairman.

For over 20 years, Mr. Brooks was involved with Cub Scouts and Boy Scouts of Troop 82, serving as Assistant Scoutmaster for over 15 years. He served as the scout committee chairman from 1990 to 2017. He now serves as charter organization representative.

He has extensive experience in overall small business management, machine technology and processes. He currently serves on the advisory committee for the machine technology programs at Stanly Community College and Rowan-Cabarrus Community College.

Mr. Brooks has served as past Chairman and Vice Chairman of the Board of Directors of the Company and past Chairman of the Audit Committee, Human Resources Committee, and Properties Committee. He is a member of the Company's Audit Committee.

James O. Campbell

Mr. Campbell is a native of Concord, NC, graduating from Concord High School and the University of North Carolina at Chapel Hill where he received a Bachelor of Science in Business Administration. He began his professional career in 1979 with Timberline Software Corporation, a developer of application software for the construction and real estate industries, and was appointed Vice President of Sales in 1996. The company was purchased in 2003 by Sage Software, and Mr. Campbell continued in his senior management role there until 2005, when he became President of CIS Consulting Group, Inc. in Charlotte, NC. In 2010, CIS was acquired by Viewpoint Construction Software, where he was employed as Channel Sales Manager. In 2016, Mr. Campbell joined AvidXchange, Inc., a provider of on-demand accounts payable management and automated payment solutions, as Vice President of Construction Sales in Charlotte, NC.

Mr. Campbell is a Lifetime Honorary Board Member of the Boys and Girls Club of Cabarrus County, having served in several leadership capacities there and at his church, Central United Methodist in Concord, NC.

Mr. Campbell has extensive experience in the technology industry and in business management. Mr. Campbell serves on the Company's Audit Committee.

Tara G. Eudy

Mrs. Eudy is co-owner and President of Carolina Title Company, Inc., Wadesboro, NC, which is an issuing agency providing title insurance policies for both residential and commercial transactions. Carolina Title has been a locally owned and operated independent agency since its inception in 1995 and is an issuing agent for three national underwriters: Chicago Title Insurance Company, First American, and Commonwealth Land Title in North Carolina and Chicago Title in South Carolina.

Mrs. Eudy is a Certified Paralegal, a North Carolina Title Insurance Underwriter, and a member of the North Carolina Bar Association Real Property Section. Mrs. Eudy has served on the North Carolina Land Title Association Board and is past chairwoman, past treasurer, past secretary and past vice chairwoman. Mrs. Eudy has served on the North Carolina Bar Association Real Property Section Council. She is also active in the Friends of Scouting Campaign Committee for Anson County, having served as its Chairwoman for two years. She previously served on the Anson County Chamber of Commerce Board, where she served as past Chairwoman, and the Anson County Hospital Foundation Board. She has also coached girls' softball with Anson Parks & Recreation for numerous years.

She previously served as Vice Chairwoman and Chairwoman of the Board of Directors of Uwharrie Bank's predecessor for two years each. She serves as Vice Chair of the Uwharrie Capital Corp and Uwharrie Bank Boards of Directors. Mrs. Eudy serves on the Company's Audit Committee.

Mrs. Eudy has extensive experience in business management.

Deidre Bradshaw Foster

Mrs. Foster is an experienced board member with a demonstrated history of working as a human resources executive in the banking industry with financial services and global markets expertise.

Mrs. Foster currently serves as Chairman of the Board of Directors for KinderMourn, a Charlotte, NC based non-profit which provides hope for bereaved parents, grieving children and teens by offering support and counseling. She has been on KinderMourn's Board since 2009. During her time with KinderMourn, Mrs. Foster has served in positions including Chairman of the Board, Vice Chairman, Finance Chair, Secretary and Nomination Chair.

Mrs. Foster also plays a very active leadership role in Forest Hill Church in Charlotte, NC. She is an ordained Elder and currently serves as the Vice Chairman of the Council of Elders and chairs the Senior Pastor Development Committee. Mrs. Foster has been named as the Chairman of the Council of Elders for 2021 and 2022. In addition, she has served as Chair of the Finance and Risk Management Committee and held the position of an ordained Deacon.

Previously, Mrs. Foster held board positions with Moments of Hope, Seeds of Hope and Loaves and Fishes, all Charlotte, NC based non-profits.

Prior to her focus on church and community work, Mrs. Foster served as a Human Resources executive with Wells Fargo. She most recently held the positions of Head of Human Resources for the Commercial Bank and Head of Human Resources for the Global Fixed Income and Global Capital Markets businesses.

Mrs. Foster earned a Bachelor of Science degree in Business Administration from the University of North Carolina at Chapel Hill where she was recognized as one of three outstanding seniors in a graduating class of approximately 5,000.

Allen K. Furr

Mr. Furr is Secretary and Treasurer of PEJA, Inc., DBA East Albemarle Xpress Lube, a family-owned automotive service business in Albemarle, NC, since 2013. Mr. Furr is a former Senior Vice President of Uwharrie Bank from 2002 until 2013, having worked in various areas of the bank with the majority of his experience being in commercial lending. Mr. Furr holds a NC Life, Accident and Health insurance license.

Mr. Furr is a graduate of North Carolina State University with a Bachelor of Science degree in Textile Management. He is also a graduate of the North Carolina Bankers Association School of Banking and the Stanly County Chamber of Commerce's Leadership Stanly program.

He has previously served as a board member of the New London Volunteer Fire Department, Stanly County Habitat for Humanity and United Way of Stanly County.

Mr. Furr has extensive experience in banking and small business management. Mr. Furr is Chair of the Company's Audit Committee.

Thomas M. Hearne, Jr.

Mr. Hearne is a retired geopavement engineer from the North Carolina Department of Transportation with 30 years of service.

Mr. Hearne earned a Bachelor of Science degree in Civil Engineering from The Citadel, Charleston, SC, and a Master of Engineering degree from the University of Florida, Gainesville, FL. He is a registered Professional Engineer in the State of North Carolina and the inventor of a device used in North Carolina to test ride quality and smoothness of asphalt pavements during construction. He has extensive experience in structural testing and evaluation of highway pavements and has served as a member and chairman of numerous professional panels and committees at the local, state, and national levels.

Mr. Hearne has served as a Sunday school teacher at Trinity Place and as a member of the Albemarle Planning Board, First Lutheran Church Council, and the Stanly Community College Board of Trustees. He currently manages three investment funds at two local churches and is a member of the Citadel Alumni Association and the American Society of Civil Engineers.

Mr. Hearne has extensive experience in small business management and civic involvement in Stanly County. Mr. Hearne serves on the Company's Audit Committee.

Matthew R. Hudson

Mr. Hudson is General Manager and Vice President of Hudson Pool Distributors, Inc., New London, NC, a family-owned wholesale swimming pool supply distributor. He has been employed

with the family business since 1996 and has served as General Manager since 2010 and Vice President since 2017. Hudson Pool Distributors has been in operation since 1973 and is the largest single warehouse distributor of pools and spas in the Southeast, serving pool construction companies and pool retail stores. Mr. Hudson is a native of and resides in Stanly County.

He serves as the Director of the Uwharrie Youth Football League and the West Stanly Youth Football League and is a member of the Endy Optimist Club and Deacon Board of First Baptist Church in Oakboro.

Mr. Hudson has extensive experience in small business management and civic involvement in Stanly County.

Harvey H. Leavitt, III

Mr. Leavitt is the owner and operator of Leavitt Funeral Home in Wadesboro, NC. A third-generation funeral director, he joined the business in 1982 as a licensed professional and purchased the business from his father in 1988. In 1997, he added a cemetery, Anson Memorial Park, to the business operations. In 2003, Mr. Leavitt partnered with several local businessmen to open a new adult care facility, Meadowview Terrace Assisted Living.

He has a business degree from the University of North Carolina at Chapel Hill and a degree in funeral service from Gupton-Jones College in Atlanta, GA. Professionally, he has served as President of both the NC Board of Funeral Service and the NC Funeral Directors' Association. He currently serves on the American Board of Funeral Service Education as a member of their accreditation team as they accredit funeral service education programs across the United States.

Mr. Leavitt has served on a number of local community boards and organizations including the Anson County Chamber of Commerce, Uptown Wadesboro Inc., the South Piedmont Community College Board of Trustees, the South Piedmont Community College Foundation Board, the Lillie Bennett Charitable Trust, the Anson Community Hospital Foundation, and the Central NC Council for the Boy Scouts of America. He is a longtime member of First United Methodist Church, Wadesboro, NC.

Mr. Leavitt has extensive experience in small business management and regulation.

W. Chester Lowder

Mr. Lowder retired from the role of Livestock Director – Public Policy Division for the North Carolina Farm Bureau Federation, Inc., Raleigh, NC on March 1, 2020. He represented NC Farm Bureau on livestock issues at the state and national level, assisted in covering many environmental issues and served as a liaison on soil and water conservation matters. He joined the North Carolina Farm Bureau Federation staff in 1995. Prior to joining NCFB, Mr. Lowder ran a successful dairy operation in Stanly County for more than 25 years.

Mr. Lowder is a graduate of North Carolina State University where he earned a Bachelor of Science degree in Animal Science-Business.

Mr. Lowder has held numerous volunteer leadership positions within North Carolina Farm Bureau including state board, executive committee and vice president. Mr. Lowder has also served in other leadership roles with the Stanly County Farm Bureau, Stanly County Board of Commissioners, Stanly Community College (Albemarle, NC), and various civic and industry groups.

Mr. Lowder currently serves on various committees for the North Carolina Department of Agriculture and Consumer Services, the North Carolina State University College of Agriculture and Life Sciences, and the NC Department of Environmental Quality, serving on the Water Pollution Control Systems Operators Certification Commission. Mr. Lowder is currently a member of committees working with the United States Department of Agriculture, Natural Resource Conservation Service, NC Dairy and Growth Industry Promotion Committee, the Southeast United Dairy Industry Association, and NC Dairy Stabilization, Inc. Board and Steering Committee. He currently serves as a supervisor on the Stanly Soil and Water Conservation District. He has served on the Executive Committee for the NC Association of Soil and Water Districts and is on the Board of Directors for both the NC Dairy Producers Association as well as the State Animal Response Team where he serves as Chairman and Executive Director. Mr. Lowder is an active member of First United Methodist Church in Norwood, NC, where he serves on several church committees and councils.

He has extensive experience in the agriculture industry locally and at the state and national levels. Additionally, he is actively engaged in local and civic activities to benefit and grow the local community.

Mr. Lowder is a past Chairman of the Board of Directors for Uwharrie Capital Corp and Uwharrie Bank.

Wesley (Wes) A. Morgan

Mr. Morgan is the general manager and part owner of Rolling Hills Gin, LLC, New London, NC. This business is a family-owned cotton ginning facility that serves the needs of cotton farmers in Stanly County as well as over seven surrounding counties. Mr. Morgan has served as general manager since 1996 when the gin was built as a state-of-the-art facility that has been a valuable asset to the farming community.

Mr. Morgan started his career at Piedmont Diesel Service in Albemarle where he worked from 1987 -1996 as office manager and diesel pump technician before leaving to help his family build the cotton gin.

Mr. Morgan graduated top of his class at King's College, Charlotte, NC, in the Accounting Program in 1987. He has served on the Stanly County Chamber of Commerce Board of Directors. He currently serves on the Stanly County Economic Development Commission as well as School Board President of Christ the King Christian Academy. He is also the current Chairman of Southeastern Cotton Ginners and President of the National Cotton Ginners Association.

Mr. Morgan is an active member of New Mt. Tabor United Methodist Church in Richfield, NC, where he attends with his wife, son, and daughter. He serves as Finance Committee Chairperson and is a member of the mission team.

Mr. Morgan has extensive experience in the agriculture industry and business management.

Cynthia L. Mynatt

Cyndie Mynatt has served as the President of Ben Mynatt Buick-GMC in Concord, NC, since its inception in 1991; Ben Mynatt Nissan in Salisbury, NC since its beginning in 2002; and Ben Mynatt Pre-Owned in Kannapolis since its founding in 2003. In 2008, Ms. Mynatt became the owner, president and manager of Ben Mynatt Chevrolet-Cadillac in Concord, NC, which was founded by her father in 1976. The three automobile franchises and one independent dealership currently employ over 160 employees.

Ms. Mynatt earned a Bachelor of Arts degree from Duke University. She is also a graduate of the NADA Dealer Candidate Academy, General Motors Dealership Management Academy, the American Leadership Forum (Charlotte Region, Senior Fellow) and the N.C. Commissioner of Banks Bank Directors' College.

Ms. Mynatt is involved in many civic activities. Currently, she serves on the Rowan-Cabarrus Community College Board of Trustees, serving as the Vice Chair, and on its Foundation Board. She also serves on the Ben Mynatt Children's Foundation Board of Directors and has been a member of the Cabarrus Rotary Club since 1992, formerly serving as President and honored as a Distinguished Rotarian and Paul Harris Fellow. Professionally, she serves on the Board of Directors of the North Carolina Automobile Dealers Association, the NCADA Charitable Foundation, the Greater Charlotte Automobile Dealers Association Board of Directors, and the Charlotte Buick-GMC Local Marketing Association's Board of Directors, serving as President. She has received numerous business awards for her professional achievements.

In years past, she has been active and held leadership positions with the Cabarrus County Economic Development Corporation, the Cabarrus Regional Chamber of Commerce, the Cannon Memorial YMCA of Kannapolis, the University of North Carolina at Charlotte Board of Visitors and Foundation, the United Negro College Fund of Barber-Scotia College of Concord, the United Way of Central Carolinas, Providence Day School Board of Trustees, the Cabarrus County Community Foundation, the Cabarrus College of Health Sciences Board of Trustees and various business activities with General Motors.

Ms. Mynatt served as past Vice Chairwoman and Chairwoman of the Board of Directors of Uwharrie Bank's predecessor.

Ms. Mynatt has extensive experience in the areas of business management, board involvement and governance, and civic involvement.

James E. Nance

Mr. Nance served as Dealer Operator and President for Confederate Motors, Inc., which was a family-operated Chevrolet-franchised dealership, from 1973 until the sale of the business in 2007. In 2008, he started North State Acquisitions, LLC, which is a real estate firm specializing in right-of-way negotiations and claim settlements.

Mr. Nance is a graduate of the University of North Carolina at Chapel Hill with a Bachelor of Science in Business Administration. He also is a licensed Real Estate Broker and Broker in Charge in the State of North Carolina.

He currently serves as a member of the Board of Directors of the North Carolina Railroad Company where he is Chairman of the Strategic Planning and Economic Development Committee, member of the Board of Directors of the State University Railroad, Advisory Committee for the Central N.C. Council of the Boy Scouts of America, member of the Eagle Scout Board of Review for the Stanly District, and a member of Central United Methodist Church, Albemarle, North Carolina.

He previously served as Vice Chairman and member of the North Carolina Board of Transportation, Finance Chairman and member of the Board of Trustees of Stanly Community College, Vice Chairman and member of the North Carolina Housing Finance Agency, member of the Board of Visitors of the University of North Carolina at Chapel Hill, Vice Chairman of the Stanly County Economic Development Commission, member of the Stanly County Airport Authority, Administrative Board of Central United Methodist Church, Board of Trustees of Pfeiffer University, Board of Directors of Stanly County ARC Services, Inc., Co-Chairman of the North Carolina Automobile Dealers Association Legislative Committee, and Board of Directors of the North Carolina Citizens for Business and Industry.

Mr. Nance is an Eagle Scout and also a recipient of the Silver Beaver Award from the Central North Carolina Council of Boy Scouts of America.

He has extensive experience in business management, state and federal governmental relations, transportation, and education.

He is an original incorporator of Bank of Stanly (now known as Uwharrie Bank) and has served on the Board of Directors of Uwharrie Bank's predecessor and Uwharrie Capital Corp where he served as Chairman of both organizations. He also served as Vice Chairman of the Board of The Strategic Alliance Corporation, Inc., a securities broker-dealer and wholly owned subsidiary of Uwharrie Bank.

Chris M. Poplin

Mr. Poplin has been employed since 1990 with Charlotte-based Faison Enterprises, Inc., a middle market, private equity firm focused primarily on commercial real estate across multiple asset classes in the Southeast United States. He has served as its Chief Financial Officer since 2013 and Chief Operating Officer since 2016. He also serves as the Treasurer and is a member of the Investment Committee. He previously worked two years for Pete A. Harward & Associates, Albemarle, NC, as an accountant and two years with Ernst & Whinney, Charlotte, NC, as an audit and tax accountant.

Mr. Poplin earned a Bachelor of Science degree in Accounting from the University of North Carolina at Charlotte.

He is a native of and resides in Stanly County. Mr. Poplin is active with St. Martin's Lutheran Church, Albemarle, NC. He currently serves on the Governing Board of Directors at the Foundation For The Carolinas and is a member of the Finance Committee. He also currently serves as the Chair of the Stanly County Community Foundation.

Mr. Poplin has extensive experience in real estate and business finance. He serves on the Company's Audit Committee.

Frank A. (Alex) Rankin, III

Mr. Rankin has over 40 years of experience working both in civil engineering and in land surveying within the land development services industry. Mr. Rankin was the first full-time employee of Concord Engineering & Surveying, Inc. (CESI), starting part-time with the newly chartered firm in 1978. As the firm grew, Mr. Rankin was quickly exposed to aspects of many types of surveying, and was able to hone his civil engineering skills based on in-the-field experiences working with contractors to build sites designed by both CESI and others.

In 1983, Mr. Rankin became an equity owner of the firm and was given the role of Vice-President, while at the same time continuing to actively supervise surveying and civil engineering projects. Mr. Rankin became President in 1998 and began to concentrate on management and administrative duties. In 2018, Mr. Rankin stepped down as President of the firm, sold his equity interest in CESI back to the company, continues as an employee, and currently serves as Chair of the CESI Board of Directors.

Mr. Rankin is a life-long resident of Cabarrus County and has been active in many community issues during his professional career. Mr. Rankin is a past Chair of the Cabarrus Regional Chamber of Commerce, a past Chair of the Coltrane Life Center, a founder and past Chair of Uwharrie Bank's predecessor, an initial board member of Uwharrie Bank, and a past Chair of the Concord Rotary Club. He has served on the Cabarrus Board of Health, on the Board of Directors for the North Carolina Society of Surveyors, has twice been President of the Concord Downtown Development Corporation Board, served from 2001 until 2015 on the North Carolina Workforce Development Commission, is a member of and past Chair of the Governing Board of the Carolina Thread Trail, is a Senior Fellow of the American Leadership Forum, was reappointed in 2017 to the North Carolina Land Records Advisory Committee of the NC Secretary of State,

and was appointed in January of 2018 as Chair of the NC Geographic Information Coordinating Council, along with service to many other organizations.

Mr. Rankin earned a Bachelor of Science in Biological and Agricultural Engineering from North Carolina State University, Raleigh, NC. He holds Professional Engineer and Professional Land Surveyor registrations in North Carolina and numerous other states.

Mr. Rankin has extensive experience in small business management and civic involvement in Cabarrus County.

Mr. Rankin currently serves as Chair of the Board of Directors for Uwharrie Capital Corp and Uwharrie Bank. He is a member of the Company's Audit Committee.

Randy T. Russell

Mr. Russell is the founder and President of Sports Med Properties, a full-service commercial real estate company located in Charlotte, NC. He started his career at Colony Development Partners in 2004 as a project manager where he later became a partner in the healthcare/office division. Mr. Russell has successfully managed the development and acquisition of real estate assets totaling over three million square feet. In 2014, Mr. Russell started SMP Management, an asset and property management company serving clients nationally.

Mr. Russell has served on the Advisory Board for the Assistance League of Charlotte since 2010 and is a member of the Bridge Foundation. Both organizations share his passion of serving the children of the local community.

Mr. Russell earned a Bachelor of Science degree in Business Marketing and Finance from the University of North Carolina at Wilmington, and a Masters of Business Administration from Campbell University. He is also a licensed Real Estate Broker and Broker in Charge in North Carolina and South Carolina.

Mr. Russell has extensive experience in commercial real estate, project management and business management.

Vernon A. Russell

Vernon A. Russell has been a practicing attorney for more than 35 years and is the current owner of Vernon A. Russell, Attorney at Law, PLLC in Concord, Cabarrus County, North Carolina. Prior to his current legal practice, Mr. Russell was a principal and partner in the law firm of Plummer Russell & Plummer, PLLC, a general practice firm located in Concord, Cabarrus County, North Carolina for 30 years.

Mr. Russell earned a Bachelor of Arts in Public Administration from North Carolina Central University (cum laude 1978) and a Juris Doctor from the University of North Carolina School of Law, 1981.

Mr. Russell has been a leader in the legal community for many years, serving on the Board of Community Corrections, The Indigent Defense Services Committee, The North Carolina Academy of Trial Lawyers (county captain), the Disciplinary Hearing Committee of the North Carolina State Bar and a lecturer and presenter on a variety of legal subjects.

In addition to serving the legal community, Mr. Russell has been involved in many civic activities. He currently serves on the Board of the Cabarrus County Community Foundation (Vice Chair). He previously served on the Cabarrus County Board of Health, Cabarrus County Schools Blue Ribbon Committee, The Barber Scotia College Board of Trustees (two terms as chairperson, chair of the Finance Committee and general counsel), The Northeast Hospital Foundation Board and a past chair of the Cabarrus Bank and Trust Board of Directors (a predecessor of Uwharrie Bank).

Mr. Russell has extensive experience in civil and criminal litigation.

Matthew A. Shaver, MD

Dr. Shaver is a General Surgeon with Atrium Health, formerly Carolinas Healthcare System, and Medical Director of Albemarle Surgical Associates. He joined the staff in July of 2014 with what was at that time Stanly Regional Hospital, Albemarle, NC. Dr. Shaver is a native of and resides in Stanly County.

He earned a Bachelor of Science degree in Biochemistry from East Carolina University summa cum laude in 2005 after finishing as Valedictorian at Albemarle High School. He then continued his training at Wake Forest University School of Medicine where he earned his Doctor of Medicine in 2009. He completed his training at Greenville Health System in Greenville, South Carolina, as part of the University of South Carolina system in 2014. During his residency, he received the Jackson Award for top overall intern, irrespective of specialty, and served as the Administrative Chief Resident in his final year. He has performed various medical research activities and is published. He has much volunteer experience with the American Red Cross, Habitat for Humanity and various health-related organizations and groups.

He currently serves on the Medical Executive Committee as staff treasurer, medical director for Albemarle Surgical Associates, and as chair of the Medical Credentialing Committee for the hospital. He also serves on the system-wide Credentials Committee and Surgical Oncology Quality Committee. He is a general member of the American Medical Association.

He has participated as a voluntary team physician for North Stanly High School Athletics. He recently won Stanly County Dancing with the Stars in partnership with the Butterfly House, a children's advocacy center serving abused children in Stanly and surrounding counties. He has led healthcare discussions at Stanly Community College and has given multiple medical-related presentations to businesses in the community.

Dr. Shaver has extensive experience in medicine, management, and community engagement in Stanly County.

Director Independence

Each member of the Company's Board of Directors and each nominee for election to the Board is "independent" as defined by NASDAQ listing standards and by the rules and regulations promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"), with the exception of Mrs. Eudy and Messrs. Rankin and R. Russell, each of whom is independent under NASDAQ listing standards but is not independent under SEC Rule 10A-3(b). Although the Company's securities are not listed on NASDAQ, the Board uses NASDAQ's definition of independence in determining whether or not a director or nominee for director is independent. In making this determination the Board considered any material insider transactions between directors or nominees for director and the Company or its subsidiaries. All such transactions were conducted at arm's length upon terms no less favorable than those that would be available from an independent third party for comparable transactions.

Director Relationships

No director is, nor has been in the last five years, a director of any other company with a class of securities registered pursuant to Section 12 of the Exchange Act or subject to the requirements of Section 15(d) of the Exchange Act or any company registered as an investment company under the Investment Company Act of 1940.

Meetings and Committees of the Board of Directors

The Board of Directors of the Company held thirteen regular meetings during 2019. Each director attended 75% or more of the aggregate number of meetings of the Board of Directors and of any committees on which he or she served.

It is the policy of the Company that directors attend each annual meeting and any special meetings of the Company's shareholders. Thirteen of the Company's sixteen directors then in office attended the 2019 annual meeting of shareholders.

The Company's Board of Directors has several standing committees, including a Human Resources and Compensation Committee, a Nominating Committee and an Audit Committee. During 2019, the full Board of Directors served as the Human Resources and Compensation Committee.

Human Resources and Compensation Committee. The full Board of Directors currently serves as the Human Resources and Compensation Committee. All members of the Human Resources and Compensation Committee are independent directors as defined by NASDAQ listing standards. The Human Resources and Compensation Committee reviews the compensation process for the Company and its subsidiaries to ensure it is consistent with corporate and board policy. The Human Resources and Compensation Committee serves as the catalyst for the development of compensation-related recommendations for all officers of the Company and its subsidiaries and meets with representatives of the Company and each subsidiary to develop recommendations and input into the overall budget process for the Company. During 2019, the entire Board of Directors served as the Human Resources and Compensation Committee and therefore the committee did not meet independently.

When the entire Board is not serving as the Human Resources and Compensation Committee, the committee meets on an as-needed basis to review the salaries and compensation programs required to attract and retain the Company's executive officers and those of its subsidiaries. The Committee participates in the budget process by recommending salary levels for executive and senior officers to be approved by the respective Boards of Directors of the Company and its subsidiaries. The Committee makes recommendations to each of the Boards of Directors regarding the compensation of executive and senior officers with the respective Boards of Directors ultimately determining such compensation. The salary of each of the Company's executive and senior officers is determined based upon the officer's experience, managerial effectiveness, contribution to the Company's overall profitability, maintenance of regulatory compliance standards and professional leadership. The Committee also compares the compensation of the Company's executive and senior officers with compensation paid to executives of similarly situated bank holding companies, other businesses in the Company's market area and appropriate state and national salary data. The Human Resources and Compensation Committee has adopted a formal charter, which is included as Exhibit A to this proxy statement.

Nominating Committee. During 2019, the members of the Nominating Committee were Tara G. Eudy – Chair, Dean M. Bowers, Frank A. Rankin, III, and Randy T. Russell. All members of the Nominating Committee during 2019 were independent directors as defined by NASDAQ listing standards. The full Board, upon recommendation of the Nominating Committee, recommended the ten nominees for election to the Board of Directors at the 2019 Annual Meeting. During 2019, the Nominating Committee met three times. The full Board of Directors is serving as the Nominating Committee in 2020 and approved the seven nominees for re-election to the Board as described in this proxy statement.

The Company does not have a formal diversity policy in effect relative to the director nomination process; however, the Nominating Committee considers diversity of race, gender, national origin, professional experience, skill, education, differences of viewpoint, leadership and involvement in the community, and other individual qualities and attributes that contribute to board heterogeneity. Since the Company's inception, its rotating Board of Directors has been comprised of persons with varied expertise who represent the different constituents and needs for financial services of the communities we serve. The Nominating Committee actively seeks individuals who the Committee determines meet such criteria and standards for recommendation to the Board as nominees.

Nominations for election to the Board of Directors by shareholders for the 2021 annual meeting should be submitted in writing to the Chief Executive Officer, President or Secretary of the Company by December 1, 2020, and should be accompanied by a statement of each candidate's qualifications and willingness to serve as a director. In order to stand for election to the Board of Directors, nominees must be in compliance with the Company's Policy Statement and Guidelines for Uwharrie Capital Corp Stock Ownership by Directors. A copy of the Policy Statement may be obtained free of charge upon written request made to the Secretary of the Company. The Nominating Committee has adopted a formal charter, which is included as Exhibit B to this proxy statement.

Audit Committee. The audit committee is a separately designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The current members of the Audit Committee are Allen K. Furr – Chair, Joe S. Brooks, James O. Campbell, Tara G. Eudy, Thomas M. Hearne, Jr., Chris M. Poplin, Frank A. Rankin, III and S. Todd Swaringen. The members of the Audit Committee are “financially literate” under applicable standards and, with the exception of Mrs. Eudy and Mr. Rankin, each member of the Audit Committee is “independent” under applicable standards. The Board of Directors has determined that S. Todd Swaringen meets the requirements of the SEC for qualification as an “audit committee financial expert.” An audit committee financial expert is defined as a person who has the following attributes: (i) an understanding of generally accepted accounting principles (“GAAP”) and financial statements; (ii) the ability to assess the general application of GAAP in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the reporting company’s financial statements, or experience actively supervising people engaged in such activities; (iv) an understanding of internal control over financial reporting; and (v) an understanding of audit committee functions.

The Audit Committee met six times during 2019. The Report of the Audit Committee is included on page 32 of this proxy statement. The Audit Committee has adopted a formal charter, which is included as Exhibit C to this proxy statement.

Board Leadership Structure and Role in Risk Oversight

The Company’s Board of Directors comprises three classes of directors serving staggered three-year terms and includes several standing committees, the responsibilities and membership of which are described above. The Chairman of the Board is a rotating office and overall terms of directors are subject to term limits. The Company’s Chief Executive Officer is not a member of the Board of Directors. The Company has determined that this leadership framework is appropriate given the Company’s organizational structure, core values and the business activities of its subsidiaries.

Under North Carolina law, the Board of Directors is responsible for managing the business and affairs of the Company, including the oversight of risks that could affect the Company. Although the full board has responsibility for the general oversight of risks, it primarily conducts its risk oversight function through committees, including the Audit Committee and the Human Resources and Compensation Committee, as described above, as well as through other committees, including the Credit Committee, the Senior Risk Management Committee, and the Enterprise Risk Management (“ERM”) Committee.

Enterprise Risk Management Committee. During 2010, the Company established the Enterprise Risk Management (“ERM”) Committee of the Board of Directors and the Senior Risk Management Committee (composed of internal management personnel). The ERM Committee is a formal risk management structure designed to anticipate and deal with uncertainties that have the capacity to positively, or negatively, influence the creation of value for the Company on an enterprise level. In establishing this committee, the Board of Directors wished to augment, rather

than replace, the Company's existing risk management practices. In 2014, the full Board assumed the responsibilities of the ERM Committee. In addition to the Board, the Company's Chief Executive Officer, Chief Risk Officer, and Chief Information Officer are members of the ERM Committee. The Company has also established the Senior Risk Management Committee. This committee is a management-level committee intended to augment the Company's existing risk management practices and support the Board of Directors' ERM Committee in its role. The Senior Risk Management Committee's role is to develop tools and methodologies across all business units and subsidiaries to identify, assess, and evaluate risk stemming from strategy, operations, credit, market and interest rates, and reputation.

Information Technology Steering Committee. Given the important role of information technology in the Company's operations and customer service, the Company has established an Information Technology Steering Committee to protect the Company's information assets wherever they reside. As such, the committee reviews, monitors, aligns and prioritizes all significant strategic information technology initiatives and security risks. Minutes of this committee are reported to the Uwharrie Capital Corp Audit Committee and subsequently reported by the Audit Committee to the Uwharrie Capital Corp Board of Directors. Information security is the process by which an organization protects and secures its systems, media, and facilities that process and maintain information vital to its operations. Protection of information assets is necessary to establish and maintain trust between a financial institution and its customers, maintain compliance with the law, and protect the reputation of the institution. Timely and reliable information is necessary to process transactions and support financial institution and customer decisions. The security of the Company's systems and information is essential to its safety and soundness and to the privacy of customer financial information. These security programs must have strong board and senior management level support, integration of security activities and controls throughout the organization's business processes, and clear accountability for carrying out security responsibilities.

A financial institution establishes and maintains truly effective information security when it continuously integrates processes, people, and technology to mitigate risk in accordance with risk assessment and acceptable risk tolerance levels. The Company protects its information by instituting a security process that identifies risks, forms a strategy to manage the risks, implements the strategy, tests the implementation, and monitors the environment to control the risks. Risk management practices should promote effective, safe, and sound IT operations that ensure the continuity of operations and the reliability and availability of data.

Credit Committee. The Credit Committee of Uwharrie Bank is charged with making decisions on loan requests that exceed loan officer lending authority levels. The process includes participation in active discussion regarding the loans under consideration, including loan structure and risk tolerance. Loans that exceed the Credit Committee's authority, along with insider loans, are recommended for approval to the Board of Directors of Uwharrie Bank for further action. The Credit Committee is also responsible for reviewing certain reports presented by Credit Administration to include asset quality reports to manage loan delinquency, non-performing assets, charge-offs and classified loans. In addition, the Credit Committee reviews exceptions for policy, documentation and loan-to-value, along with loan concentration reports and allowance of loan

losses and lease methodology and quarterly calculations. The Credit Committee reports its activities in detail to the Bank's Board of Directors monthly.

The Credit Committee reviews and approves loan requests for relationships that exceed \$500,000 in exposure for structure and repayment terms, underwriting, collateral, and risk grading. The Credit Committee also reviews annual loan reviews prepared by the credit administration department for loan relationships with total exposure of \$1 million and greater. The Credit Committee reviews loans and relationships that are potential problems, loans that are in or proceeding into foreclosure/collection status and other special circumstances as presented by loan officers of Uwharrie Bank. In addition, there is a sub-Committee, the SBA Committee, which meets weekly to review all loan requests presented by the Government Lending department of the Company.

Director Compensation

From January 1, 2019 to June 30, 2019, the Company paid each director a fee of \$300 for each Board of Directors meeting attended and \$100 for attendance at each meeting of a committee. The Company paid members of the Audit Committee \$500 per meeting for Audit Committee meetings attended due to the additional time required. In the event an Audit Committee meeting runs over three hours, the Company pays each committee member an additional \$100 per hour. Directors also received an allowance for travel associated with their attendance at meetings of the Board of Directors and its committees. An annual retainer fee of \$7,500 was paid to the Board of Directors' Chair and Vice Chair and the Audit Committee Chair, paid in monthly amounts of \$625. The amounts described above and included in the table below also include fees or reimbursements for service on the Board of Directors of Uwharrie Bank or its committees.

Effective July 1, 2019, an annual retainer of \$4,000 was added to Director Compensation to be paid semi-annually with \$3,000 in the form of Company common stock and \$1,000 in the form of cash. The annual retainer replaced the travel allowance and provided additional compensation in general and for mandatory training hours.

The following table presents a summary of all compensation earned by the Company's directors for their service as such during the year ended December 31, 2019.

DIRECTOR COMPENSATION TABLE

<u>Name</u>	Fees Earned or			Option Awards	All Other Compensation ⁽²⁾	Total
	<u>Paid in Cash</u>	<u>Stock Awards⁽¹⁾</u>	<u>—</u>			
Merlin Amirtharaj	\$ 2,800	\$ 1,495	—	\$ 10	\$ 4,305	
Dean M. Bowers	3,800	1,495	—	50	5,345	
Joe S. Brooks	7,100	1,495	—	80	8,675	
James O. Campbell	6,300	1,495	—	210	8,005	
Raymond R. Cranford, Jr. ⁽³⁾	1,200	—	—	40	1,240	
Tara G. Eudy ⁽⁴⁾	14,100	1,495	—	360	15,955	
Deidre B. Foster	3,100	1,495	—	90	4,685	
Allen K. Furr ⁽⁵⁾	10,850	1,495	—	80	12,425	
Thomas M. Hearne, Jr.	6,000	1,495	—	80	7,575	
Matthew R. Hudson	2,800	1,495	—	20	4,315	
Harvey H. Leavitt, III	4,100	1,495	—	270	5,865	
Samuel M. Leder ⁽⁶⁾	3,425	—	—	210	3,635	
W. Chester Lowder	3,800	1,495	—	50	5,345	
Wesley A. Morgan	3,200	1,495	—	50	4,745	
Cynthia L. Mynatt	4,100	1,495	—	180	5,775	
James E. Nance	4,100	1,495	—	60	5,655	
Chris M. Poplin	5,100	1,495	—	20	6,615	
Frank A. (Alex) Rankin, III ⁽⁷⁾	14,600	1,495	—	240	16,335	
Randy T. Russell	3,800	1,495	—	135	5,430	
Vernon A. Russell	2,600	1,495	—	60	4,155	
Matthew A. Shaver	2,800	1,495	—	20	4,315	
S. Todd Swaringen ⁽⁸⁾	13,325	1,495	—	60	14,880	

(1) Effective July 1, 2019, directors received a \$3,000 annual retainer in the form of shares of the Company's common stock to be paid semi-annually, with each director receiving a grant of 267 shares in December of 2019.

(2) Consists of a travel allowance for attendance at Board of Directors and committee meetings through June 30, 2019.

(3) Term on the Board of Directors ended on May 14, 2019.

(4) Received an annual retainer fee of \$7,500, paid in the monthly amount of \$625 in connection with service as Vice Chair of the Company's Board of Directors.

(5) Received an annual retainer fee of \$7,500, paid in the monthly amount of \$625 from June through December 2019 as his role of Chair of the Joint Company and Bank Audit Committee.

(6) Mr. Leder passed away June 30, 2019

(7) Received an annual retainer fee of \$7,500, paid in the monthly amount of \$625 in connection with service as Chair of the Company's Board of Directors.

(8) Received an annual retainer fee of \$7,500 paid in the monthly amount of \$625 through May 2019 as his role of Chair of the Joint Company and Bank Audit Committee. Effective May 21, 2019, Mr. Swaringen was appointed as an Advisory Director of the Bank and designated as "financial expert" on the Joint Company and Bank Audit Committee and received a monthly retainer of \$1,000.

Executive Officers

The following table contains information about the executive officers of the Company.

<u>Name and Age</u>	<u>Position with the Company and Business Experience for the Past Five Years</u>	<u>Employed Since</u>
Roger L. Dick (68)	President and Chief Executive Officer, Uwharrie Capital Corp; Chief Executive Officer, Uwharrie Bank	1983
R. David Beaver, III (37)	Chief Financial Officer, Uwharrie Capital Corp and Uwharrie Bank; Chief Risk Officer, Uwharrie Capital Corp; President, Uwharrie Bank	2005

Executive Compensation

The following Summary Compensation Table shows all cash and non-cash compensation paid to, received by or deferred by Roger L. Dick, Brendan P. Duffey, and R. David Beaver, III (the “Named Executive Officers”) for services rendered in all capacities during the fiscal years ended December 31, 2019 and 2018. Compensation paid to the Named Executive Officers consisted of cash salary, bonus, equity compensation in the form of stock awards, 401(k) matching contributions, insurance premiums paid on behalf of each of the Named Executive Officers, commission-based compensation and certain perquisites. The following table summarizes the dollar amounts of each element of compensation and, for stock awards, the aggregate grant date fair value computed in accordance with Accounting Standards Codification 718 issued by the Financial Accounting Standards Board.

SUMMARY COMPENSATION TABLE

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary⁽¹⁾</u>	<u>Bonus</u>	<u>Stock Awards</u>	<u>Non-Equity Incentive Plan Compensation</u>	<u>Nonqualified Deferred Compensation Earnings</u>	<u>All Other Compensation⁽²⁾</u>	<u>Total</u>
Roger L. Dick, President and Chief Executive Officer of the Company; Chief Executive Officer of the Bank	2019	\$ 258,455	\$ 46,000	—	\$ 5,170	\$ 125,000	\$ 28,090	\$ 462,715
	2018	258,455	40,000	—	5,169	125,000	27,739	456,363
Brendan P. Duffey, Former Chief Operating Officer, Chief Risk Officer and Executive Vice President of the Company; Former President and Chief Executive Officer of the Bank ⁽³⁾	2019	251,685	74,134	—	5,034	98,500	26,475	455,828
	2018	251,685	40,000	—	5,034	98,500	24,230	419,449
R. David Beaver, III Chief Financial Officer of the Company and the Bank; Chief Risk Officer of the Company; President of the Bank	2019	200,000	32,775	15,000 ⁽⁴⁾	4,300	20,000	21,983	294,058
	2018	200,000	28,500	14,996	4,333	20,000	22,932	290,761

(1) Includes amounts deferred at the officers' election pursuant to the Company's 401(k) Plan.

(2) Includes 401(k) matching contributions, use of a company-owned vehicle, the dollar value of certain insurance premiums paid on behalf of the named executive officers for health, dental, vision, group term life and disability insurance and split dollar Bank Owned Life Insurance (BOLI).

(3) Mr. Duffey retired from the Company and the Bank effective January 2, 2020.

(4) See Note 17 to the Company's audited consolidated financial statements at December 31, 2019.

Outstanding Equity Awards at Fiscal Year-End

No incentive stock options or purchase options were granted to the Named Executive Officers during 2019 or 2018. As of December 31, 2019, there were no vested or unvested incentive stock options to purchase shares of the Company's common stock held by any of the Named Executive Officers.

Mr. Beaver received a grant of 3,000 shares of common stock in 2019 and 2,675 shares of common stock in 2018 under the Company's 2015 Stock Grant Plan. All of these shares were vested as of December 31, 2019 and 2018, respectively.

2015 Stock Grant Plan

In 2015, the Board of Directors approved the Uwharrie Capital Corp 2015 Stock Grant Plan. The plan allows the Company or its subsidiaries to make grants of the Company's common stock to employees, directors or independent contractors of the Company or its subsidiaries as an alternate form of compensation or as a performance bonus. The purpose of the plan is to advance the interests of the Company and its shareholders by enabling participants to acquire a proprietary interest in the Company by ownership of its common stock and to keep personnel of experience and ability in the employ of the Company or its subsidiaries and to compensate them for their contributions to the Company or its subsidiaries and thereby induce them to continue to make such contributions in the future.

The Company's Chief Executive Officer has discretion as to whom to award stock grants as well as the amount and frequency of the grants. The Chief Executive Officer's decisions are subject to the approval of the Board of Directors. The Board of Directors has full and final authority to construe and interpret the plan and to make all other determinations and take all other actions deemed necessary or advisable for the proper administration of the plan.

The shares of common stock used for grants under the plan are outstanding shares purchased by a revocable trust formed by the Company. The trust retains legal ownership of all shares purchased for the benefit of participants until such time as the transfer of shares to the participant is completed; however, the participant is 100% vested in the shares purchased on his or her behalf as soon as the trust's purchase of shares has been completed. Participants receive stock grants in the form of shares of common stock in a single or proportional award, as soon as administratively feasible following each purchase of shares for such participant, but no later than the last business day of December in the year of grant. Shares that are transferred to a participant result in taxable income for the participant. The amount of taxable income is based on the price of the shares when they are purchased for the participant. These amounts are subject to required income tax and employment tax withholdings.

In the event that the Board of Directors determines, in its sole discretion, that any stock dividend, stock split, reverse stock split, reclassification, reorganization, merger, consolidation, split-up, spin-off, combination, exchange of shares, warrants or rights offering, or other similar transaction affects the common stock such that an adjustment is required in order to preserve the benefits or potential benefits intended to be granted or made available under the plan to the participants, the Board of Directors has the right to proportionately and appropriately adjust stock grants.

The Board of Directors may alter, suspend, or terminate the plan at any time. No stock grants may be granted during any suspension or after the termination of the plan. No amendment, suspension, or termination of the plan will, without a participant's consent, alter or impair any of the rights or obligations under any outstanding stock grant unless such alteration is required in order to comply with applicable law.

All costs and expenses incurred in the operation and administration of this plan are borne by the Company.

Supplemental Executive Retirement Plan

The Company has implemented a non-qualified deferred compensation plan for certain executive officers. Certain of the plan benefits will accrue and vest during the period of employment, and can be paid in one lump sum payment or will be paid in fixed monthly benefit payments for up to ten years commencing with the officer's retirement or separation from service under certain circumstances.

Effective December 31, 2008, this plan was amended and restated to comply with Section 409A of the Internal Revenue Code. The participants' account liability balances were transferred into a trust fund, where investments can be participant-directed. The plan is structured as a defined contribution plan and the Company's expected annual funding contribution for the participant has been calculated through the participant's expected retirement date. Under the terms of the agreement, the Company has reserved the absolute right, at its sole discretion, to either fund or refrain from funding the plan.

PENSION BENEFITS

<u>Name</u>	<u>Plan Name</u>	<u>Accumulated Benefit</u>	<u>Payments During Last Fiscal Year</u>
Roger L. Dick	Supplemental Executive Retirement Plan	\$ 1,954,537	-0-
Brendan P. Duffey	Supplemental Executive Retirement Plan	\$ 1,625,516	-0-
R. David Beaver, III	Supplemental Executive Retirement Plan	\$ 103,919	-0-

Split-Dollar Life Insurance Agreements

The Company has purchased life insurance policies on certain of its executive officers. The Company has entered into Endorsement Method Split-Dollar Plan Agreements (the "Split-Dollar Agreements") with Roger L. Dick and Brendan P. Duffey. Under the terms of the Split-Dollar Agreements, the proceeds from the policy are divided between the Company and the executive's designated beneficiary with the executive's designated beneficiary receiving up to 70% of the policy's cash value. As of December 31, 2019, the survivor's benefit for the named beneficiaries of Mr. Dick and Mr. Duffey under these life insurance policies was \$2,058,000 and \$1,000,000 respectively.

Change in Control Severance Agreement

The Company entered into a Change in Control Severance Agreement with R. David Beaver, III, effective as of January 1, 2015. Under the agreement, Mr. Beaver is entitled to certain severance benefits if his employment is terminated under certain circumstances that would constitute a "covered termination" under the agreement. A covered termination means (i) Mr. Beaver's dismissal or discharge was for reasons other than "cause" (as defined in the agreement), death or disability or (ii) the executive's termination of his own employment for "good reason" (as defined in the agreement), either of which occurs within 12 months following the effective date of a "change in control" (as defined in the agreement). If a covered termination occurs, Mr. Beaver would be entitled to:

- a lump sum cash severance payment equal to his annual base salary, which salary as of December 31, 2019 was set at \$200,000;
- fully accelerate the vesting on all his then-outstanding compensatory equity awards, as of the employment termination date; and
- up to twelve months of company-paid premium reimbursements for his and his eligible dependents if Mr. Beaver is eligible for and elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”).

Such severance benefits may be subject to a cut-back if such payments constitute excess parachute payments within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended, if such cut-back would result in a higher after-tax amount being paid to Mr. Beaver.

Under the Change in Control Severance Agreement, Mr. Beaver has also agreed to certain non-competition covenants that are operable during the term of the agreement and for a period of at least 12 months following the date Mr. Beaver’s employment is terminated. Further, Mr. Beaver’s right to receive the severance benefits set forth in the agreement is subject to Mr. Beaver executing, and not revoking, a separation agreement and release of claims in a form acceptable to the Company.

Transactions with Management

General. Uwharrie Bank and The Strategic Alliance Corporation have had, and expect to have in the future, transactions in the ordinary course of business with certain of the directors and executive officers and their associates of the Company and its direct and indirect subsidiaries. All loans included in such transactions were made on substantially the same terms, including interest rates, repayment terms and collateral, as those prevailing at the time for comparable transactions with other persons not affiliated with Uwharrie Bank and do not involve more than the normal risk of collectability or present other unfavorable features.

Loans by Uwharrie Bank. Loans made by Uwharrie Bank to directors and executive officers are subject to the requirements of Regulation O of the Board of Governors of the Federal Reserve System. Regulation O requires, among other things, prior approval of the Board of Directors with any “interested director” not participating and dollar limitations on amounts of certain loans. In addition, Regulation O prohibits any favorable treatment being extended to any director or executive officer in any of the bank’s lending matters. To the best knowledge of the management of the Company and its bank subsidiaries, Regulation O has been complied with in its entirety.

Employment of Immediate Family Members. Two immediate family members of director Tara G. Eudy are employed by subsidiaries of the Company. Mrs. Eudy’s son, Kyle V. Eudy, is employed as a financial advisor with Uwharrie Investment Advisors, Inc. In 2019, Mr. Eudy received total cash compensation of \$177,311. Mrs. Eudy’s son-in-law, Michael F. Prickett, is employed as a mortgage loan originator with Uwharrie Mortgage, Inc. In 2019, Mr. Prickett

received total cash compensation of \$303,252. Both Mr. Eudy and Mr. Prickett also received benefits under certain employee benefit plans that are generally available to all similarly situated employees. Mrs. Eudy does not have an interest in Mr. Eudy's or Mr. Prickett's compensation.

PROPOSAL 2: ADVISORY VOTE ON EXECUTIVE COMPENSATION

As part of implementing the “say-on-pay” requirements of Section 14A of the Exchange Act, the Securities and Exchange Commission (“SEC”) requires a periodic non-binding advisory shareholder vote to approve the Company's compensation of the named executive officers as disclosed in this proxy statement pursuant to the compensation disclosure rules of the SEC. Such a proposal, commonly known as a “say-on-pay” proposal, gives shareholders the opportunity to endorse or not to endorse the Company's executive pay program. Accordingly, in this Proposal 2 our shareholders are given the opportunity to cast an advisory vote on the Company's executive compensation as described above in this proxy statement through the following resolution:

“Resolved, that the shareholders approve, on an advisory, non-binding basis, the compensation of Uwharrie Capital Corp's named executive officers, as disclosed in the proxy statement for the 2020 annual meeting of shareholders, pursuant to the compensation disclosure rules of the Securities and Exchange Commission.”

Because this vote is advisory, it will not be binding upon the Board of Directors. However, the Human Resources and Compensation Committee and Board of Directors will take into account the outcome of the vote when considering future executive compensation arrangements.

Shareholders are encouraged to read the tabular disclosures regarding named executive officer compensation, together with the accompanying narrative disclosure.

The Company believes that its executive compensation is competitive, is focused on pay for performance principles, is aligned with the long-term interests of our shareholders and is necessary to attract and retain experienced, highly qualified executives critical to the Company's success and the enhancement of shareholder value.

THE BOARD OF DIRECTORS BELIEVES THE COMPANY'S EXECUTIVE COMPENSATION PRACTICES ACHIEVE THESE OBJECTIVES, AND, THEREFORE, RECOMMENDS THAT SHAREHOLDERS VOTE “FOR” APPROVAL OF THIS PROPOSAL.

PROPOSAL 3: NON-BINDING ADVISORY VOTE ON THE FREQUENCY OF THE ADVISORY VOTE ON EXECUTIVE COMPENSATION

Section 14A of the Exchange Act also requires that the Company's shareholders have the opportunity to recommend how frequently shareholder advisory votes should be held to approve the compensation of the named executive officers. This Proposal 3, commonly known as a “say-when-on-pay” or a “say-on-frequency” vote, gives shareholders the opportunity to vote on how frequently shareholders should be given an opportunity to cast a “say-on-pay” vote in the Company's future annual shareholder meetings (or any special shareholder meetings for which the

Company must include executive compensation information in the proxy statement). Under this Proposal 3, shareholders have the following choices regarding how often the Company holds the say-on-pay vote: every year, every two years or every three years, or shareholders may choose to abstain.

The Human Resources & Compensation Committee and the Board of Directors recognize the importance of receiving regular input from shareholders on important issues such as executive compensation. The Human Resources & Compensation Committee and the Board of Directors also believe a well-structured compensation program should include features that drive the creation of shareholder value over the long term, as well as the short term. The Board of Directors recommends a non-binding advisory say-on-pay vote every three years.

As stated above, this vote is advisory, meaning it will serve as a recommendation to the Board of Directors but will not be binding. Shareholders are not voting to approve or disapprove the recommendation of the Board of Directors. The alternative receiving the greatest number of votes – every year, every two years, or every three years – will be the frequency that shareholders recommend. The Board of Directors will take into account the outcome of the vote when considering how frequently to provide an advisory vote on executive compensation in the future. However, the Board of Directors may decide that it is in the best interests of the Company and its shareholders to select a frequency of advisory vote on executive compensation that differs from the alternative that receives the highest number of votes from shareholders.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE “FOR” A FREQUENCY OF THREE YEARS FOR FUTURE VOTES ON EXECUTIVE COMPENSATION.

PROPOSAL 4: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has appointed the firm of Dixon Hughes Goodman LLP, Certified Public Accountants, as the Company’s independent accountants for the year ending December 31, 2020, and a proposal to ratify that appointment will be submitted for shareholder approval at the Annual Meeting. A representative of Dixon Hughes Goodman LLP is expected to be present at the Annual Meeting and available to respond to appropriate questions, and the representative will have the opportunity to make a statement if he or she desires to do so.

Please see below for additional information regarding Audit Fees paid to Dixon Hughes Goodman LLP as well as the Report of the Audit Committee.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE “FOR” RATIFICATION OF THE APPOINTMENT OF DIXON HUGHES GOODMAN LLP AS THE COMPANY’S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2020.

AUDIT FEES

The Company has incurred or expects to incur fees in connection with its annual audit and quarterly reviews of the Company's consolidated financial statements.

The Company also engaged Dixon Hughes Goodman LLP to provide other attestation and audit-related services. These fees were primarily related to audits of the Company's benefit plans. All services rendered by Dixon Hughes Goodman LLP during 2019 and 2018 were subject to pre-approval by the Audit Committee.

The following table sets forth the fees paid to Dixon Hughes Goodman LLP in various categories in 2019 and 2018.

Category	<u>Amount Paid 2019</u>	<u>Amount Paid 2018</u>
Audit Fees:	\$ 175,400	\$ 170,500
Audits of annual consolidated financial statements, reviews of interim financial statements, reviews of filings with the Securities and Exchange Commission and statutory audits		
Audit-Related Fees:	13,000	14,984
Attestation services related to audits of benefit plans and routine accounting consultations		
Tax Fees:	27,965	20,710
Corporate tax compliance and tax-related advisory services		
All Other Fees:	—	—
Total Fees Paid	<u>\$ 216,365</u>	<u>\$ 206,194</u>

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Company is responsible for receiving and reviewing the annual audit report of the Company's independent auditors and reports of examinations by bank regulatory agencies, and helps formulate, implement, and review the Company's and its subsidiaries' internal audit programs. The Audit Committee assesses the performance and independence of the Company's independent auditors and recommends their appointment and retention. The Audit Committee has in place pre-approval policies and procedures that involve an assessment of the performance and independence of the Company's independent auditors, an evaluation of any conflicts of interest that may impair the independence of the independent auditors and pre-approval of an engagement letter that outlines all services to be rendered by the independent auditors.

During the course of its oversight of the Company's audit process in 2019, the Audit Committee reviewed and discussed the audited consolidated financial statements with management. The Audit Committee, prior to approving the consolidated financial statements for inclusion in the Company's Form 10-K, also discussed with the independent auditors, Dixon Hughes Goodman LLP, all matters required to be discussed as required by Public Company Accounting Oversight Board Auditing Standard No. 1301, *Communications with Audit Committees*, and other applicable standards. Furthermore, the Audit Committee received from

Dixon Hughes Goodman LLP written disclosures and correspondence regarding their independence and discussed such information with Dixon Hughes Goodman LLP.

Based on the review and discussions above, the Audit Committee (i) recommended to the Board of Directors that the audited consolidated financial statements be included in the Company's annual report on Form 10-K for the year ended December 31, 2019, for filing with the SEC and (ii) recommended that shareholders ratify the appointment of Dixon Hughes Goodman LLP as auditors for 2020.

The Audit Committee has considered whether Dixon Hughes Goodman LLP's provision of other non-audit services to the Company is compatible with maintaining the independence of Dixon Hughes Goodman LLP. The Audit Committee has determined that such services are compatible with maintaining the independence of Dixon Hughes Goodman LLP.

This report is submitted by the Audit Committee:

Allen K. Furr - Chair
Joe S. Brooks
James O. Campbell
Tara G. Eudy
Thomas M. Hearne, Jr.
Chris M. Poplin
Frank A. Rankin, III
S. Todd Swaringen (designated "financial expert")

OTHER MATTERS

The Board of Directors knows of no other business that will be brought before the Annual Meeting. Should other matters properly be presented for action at the Annual Meeting, the Proxies, or their substitutes, will be authorized to vote shares represented by appointments of proxy according to their best judgment.

PROPOSALS OF SHAREHOLDERS

Any proposal of a shareholder which is intended to be presented at the Company's 2021 Annual Meeting must be received by the Company at its main office in Albemarle, North Carolina, no later than December 7, 2020, to be considered timely received for inclusion in the proxy statement and appointment of proxy to be distributed in connection with that meeting. If a proposal for the Company's 2021 Annual Meeting is not expected to be included in the proxy statement for that meeting, the proposal must be received by the Company by February 22, 2021 for it to be timely received for consideration. The Company will use its discretionary authority for any proposals received thereafter.

SHAREHOLDER COMMUNICATIONS

The Company does not currently have a formal policy regarding shareholder communications with the Board of Directors; however, any shareholder may submit written

communications to the Chairman of the Board of Directors, Uwharrie Capital Corp, P.O. Box 338, Albemarle, North Carolina 28002-0338, whereupon such communications will be forwarded to the Board of Directors if addressed to the Board of Directors as a group or to the individual director or directors addressed.

HOUSEHOLDING MATTERS

The Securities and Exchange Commission (“SEC”) has adopted rules that permit companies to deliver a single copy of proxy materials to multiple shareholders sharing an address unless a company has received contrary instructions from one or more of the shareholders at that address. This means that only one copy of the proxy materials may have been sent to multiple shareholders in your household. If you would prefer to receive separate copies of the proxy materials either now or in the future, please contact our Corporate Secretary at the Company’s offices at 132 North First Street, Albemarle, NC 28001, mailing address P.O. Box 338, Albemarle, NC 28002-0338 or at (704) 982-4415. Upon written or oral request to the Corporate Secretary, the Company will provide a separate copy of the proxy materials. In addition, shareholders at a shared address who receive multiple copies of proxy materials may request to receive a single copy of proxy materials in the future in the same manner as described above.

INTERNET AND ELECTRONIC AVAILABILITY OF PROXY MATERIALS

As required by applicable Securities and Exchange Commission (“SEC”) rules and regulations, the Company has furnished a notice of internet availability of proxy materials to all shareholders as part of this proxy statement, and all shareholders will have the ability to access this proxy statement and the Company’s annual report on Form 10-K for the fiscal year ended December 31, 2019 as filed with the SEC, by logging on at www.proxyvote.com. The proxy statement and annual report will also be available on the “Investors” page of the Company’s website, www.uwharrie.com/about/investor. Please note that online voting is only available via www.proxyvote.com.

ADDITIONAL INFORMATION

A COPY OF THE COMPANY’S 2019 ANNUAL REPORT ON FORM 10-K WILL BE PROVIDED WITHOUT CHARGE TO ANY SHAREHOLDER ENTITLED TO VOTE AT THE ANNUAL MEETING UPON THAT SHAREHOLDER’S WRITTEN REQUEST. REQUESTS FOR COPIES SHOULD BE DIRECTED TO TAMARA M. SINGLETARY, EXECUTIVE VICE PRESIDENT – INVESTOR RELATIONS AND CORPORATE SECRETARY, P.O. BOX 338, ALBEMARLE, NORTH CAROLINA 28002-0338.

Uwharrie Capital Corp

Human Resources and Compensation Committee Charter

Purpose

The Human Resources and Compensation Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Uwharrie Capital Corp (the “Company”) to discharge the Board’s responsibilities relating to human resources and compensation of the Company’s directors and executive officers. The Committee has overall responsibility for establishing corporate goals and objectives relevant to determining director and executive officer compensation and for evaluating and approving or recommending for approval to the Board the director and officer compensation plans, policies and programs of the Company. In discharging its responsibilities, the Committee shall, on an annual basis: (i) review and report on the performance of the President and Chief Executive Officer (the “CEO”); (ii) review and recommend all elements and amounts of CEO compensation; (iii) review and recommend Board and committee compensation; (iv) approve compensation of other executive officers; and (v) review and recommend any management incentive compensation plans.

Committee Membership

The Committee shall consist of the entire Board of Directors, unless it is deemed necessary that a smaller group is needed. Each member of the Committee shall: (i) be “independent” as defined by applicable rules and regulations promulgated under the Securities Exchange Act of 1934; (ii) a “Non-Employee Director” as that term is defined under Rule 16b-3 promulgated by the Securities and Exchange Commission (the “SEC”) and any other applicable SEC regulation; (iii) an “Outside Director” as that term is defined for the purposes of Internal Revenue Code Section 162(m); and (iv) shall meet all other applicable legal requirements. The Committee will also consider the absence or presence of material relationships with the Company which might impact independence. Members shall be appointed by the Chairman of the Board, subject to Board approval and shall serve for such term or terms as the Board may determine or until earlier resignation or death. Committee members may be removed by the affirmative vote of a majority of the members of the Board at any time with or without cause. A majority of the members of the Committee shall constitute a quorum.

Operations

The Committee shall meet at least once a year. Additional meetings may occur as the Committee deems advisable. The Committee will cause to be kept adequate minutes of all its proceedings, and will report its actions to the next meeting of the Board. Board members will be furnished with copies of the minutes of each meeting and any action taken by unanimous consent. The Committee is governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

Authority

The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to retain, as it deems appropriate and reasonably necessary, outside counsel or other experts or consultants at the Company's sole expense. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.

The Committee, and each member of the Committee in his or her capacity as such, shall be entitled to rely, in good faith, on information, opinions, reports or statements, or other information prepared or presented to them by (i) officers and other employees of the Company or its subsidiaries, whom such member believes to be reliable and competent in the matters presented, and (ii) counsel, public accountants or other persons as to matters which the member believes to be within the professional competence of such person.

Compensation Consultant Conflicts

The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Securities and Exchange Commission Regulation S-K.

Delegation of Authority

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

Committee Responsibilities

The Committee shall set corporate goals and objectives relevant to director and executive officer compensation. In setting these goals and objectives, the Committee should consider, at a minimum, the Company's performance and relative shareholder return. The Committee shall annually review and evaluate the corporate goals and objectives and amend such goals in its discretion.

The Committee shall have the responsibility to review the performance of the CEO on an annual basis in light of the corporate goals and objectives. The Committee shall report its findings concerning the performance of the CEO to the Board, and shall make recommendations to the Board based on its findings.

The Committee shall have the responsibility to review all forms of compensation received by the CEO and the amounts thereof. The Committee shall also have the responsibility of recommending to the Board for approval any changes in form or amount of compensation received by the CEO.

The Committee shall have the responsibility of reviewing, and recommending for approval changes, if any, to the compensation paid to Board members for their service on the Board and any committees thereof.

The Committee shall have the responsibility of approving the form and amount of compensation received by executive officers other than the CEO. The Committee may solicit and accept, reject or modify the recommendation of the CEO with respect to the compensation of other executive officers.

The Committee shall have the responsibility of reviewing any management incentive compensation plan, in effect or contemplated. The Committee shall also have the responsibility of recommending for approval the adoption of or any changes to any management incentive compensation plan. The Committee shall also be responsible for administering any incentive stock option plan or other equity-based plans adopted by the Company and approved by its shareholders. In reviewing incentive arrangements, the Committee shall consider any risk posed by such arrangements, and whether the incentive plans encourage participants to focus on proper goals and objectives.

In determining appropriate levels of compensation, whether for officers, directors, or other employees, the Committee should evaluate whether applicable compensation, benefit, and/or incentive plans (i) promote acceptable levels of risk, (ii) encourage appropriate levels of long-term value creation, and (iii) avoid the promotion of unnecessary and excessive risk taking.

The Committee shall make other reports to the Board when the Committee deems it appropriate or upon request of the Board. The Committee shall periodically review and update this Charter, as necessary, to ensure appropriate corporate governance.

Uwharrie Capital Corp

Nominating Committee Charter

Purpose

The Nominating Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Uwharrie Capital Corp (the “Company”): (i) to assist the Board, on an annual basis, by identifying individuals qualified to become Board members and to recommend to the Board the director nominees for the next meeting of shareholders at which directors are to be elected; (ii) to assist the Board in the event of any vacancy on the Board by identifying individuals qualified to become Board members and to recommend to the Board qualified individuals to fill any such vacancy; and (iii) to recommend to the Board, on an annual basis, director nominees for each Board committee.

Committee Membership

The Committee shall consist of no fewer than three members, each of whom shall be a director of the Company. Each member of the Committee shall: (i) be “independent” as defined by applicable NASDAQ listing standards and (ii) meet all other applicable legal requirements. The Committee will also consider the absence or presence of material relationships with the Company which might impact independence. Members shall be appointed by the Chairman of the Board, subject to Board approval and shall serve for such term or terms as the Board may determine or until earlier resignation or death. Committee members may be removed by the affirmative vote of a majority of the members of the Board at any time with or without cause. A majority of the members of the Committee shall constitute a quorum.

Operations

The Board shall designate a member of the Committee as the chairperson. The Committee shall meet at least once a year. Additional meetings may occur as the Committee deems advisable. The Committee will cause to be kept adequate minutes of all its proceedings, and will report its actions to the next meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting and any action taken by unanimous consent. The Committee is governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

Authority

The Committee will have the resources and authority necessary to discharge its duties and responsibilities, including the authority to retain outside counsel or other experts or consultants, as it deems appropriate. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.

The Committee shall have the authority to retain and terminate any search firm to be used to identify director candidates and shall have sole authority to approve the search firm's fees and other retention terms, at the Company's expense.

The Committee, and each member of the Committee in his or her capacity as such, shall be entitled to rely, in good faith, on information, opinions, reports or statements, or other information prepared or presented to them by (i) officers and other associates of the Company or its subsidiaries, whom such member believes to be reliable and competent in the matters presented, and by (ii) counsel, public accountants or other persons as to matters which the member believes to be within the professional competence of such person.

Delegation of Authority

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

Committee Responsibilities

The Committee shall have the responsibility to develop and recommend criteria for the selection of new directors to the Board, which criteria shall include, but not be limited to, the criteria set forth in Article IV of the Company's bylaws. The Committee shall have the power to apply the standards imposed by all applicable laws and the underlying purpose and intent thereof in connection with such identification process.

When vacancies occur on the Board or otherwise at the direction of the Board, the Committee shall actively seek individuals whom the Committee determines meet such criteria and standards for recommendation to the Board as nominee(s).

The Committee shall recommend to the Board, on an annual basis, nominees for election as directors for the next annual meeting of shareholders.

The Committee shall make other reports to the Board when the Committee deems it appropriate or upon request of the Board.

Uwharrie Capital Corp

Audit Committee Charter

Organization and Membership

There shall be a committee of the Board of Directors (the “Board”) of Uwharrie Capital Corp (the “Company”) to be known as the Audit Committee. The Audit Committee shall be composed of at least three directors who are independent of the management of the Company and are free of any relationship that, in the opinion of the Board of Directors, would interfere with their exercise of independent judgment as a committee member. Each member of the Audit Committee shall be independent in accordance with the requirements of Rule 10A-3 of the Securities Exchange Act of 1934. In addition, the Company shall strive to have all its Audit Committee members meet the requirements for independence set forth in the NASDAQ listing rules. Members of the Audit Committee shall be financially literate as determined by the Board or become financially literate within a reasonable period of time after appointment to the Audit Committee and at least one member shall have accounting, related financial management expertise, or other comparable experience or background that result in the individual’s financial sophistication.

Members shall be appointed by the Chairman of the Board, subject to Board approval and shall serve for such term or terms as the Board may determine or until earlier resignation or death. Committee members may be removed by the affirmative vote of a majority of the members of the Board at any time with or without cause. A majority of the members of the Committee shall constitute a quorum.

Statement of Policy

The Audit Committee shall provide assistance to the Board in fulfilling its responsibility to the shareholders, potential shareholders, and investment community relating to corporate accounting, reporting practices of the Company, and the quality and integrity of the financial reports and other operating controls of the Company. In so doing, it is the responsibility of the Audit Committee to maintain free and open means of communication between the directors, the independent auditors, the internal auditors, the financial management and other employees of the Company.

Responsibilities

In carrying out its responsibilities, the Audit Committee believes its policies and procedures should remain flexible, in order to best react to changing conditions and to ensure to the directors and shareholders that the corporate accounting and reporting practices and other operating controls of the Company are of high quality and are in accordance with all requirements.

In carrying out these responsibilities, the Audit Committee will:

- Select, evaluate, and where appropriate, replace the independent auditors to audit the financial statements of the Company and its subsidiaries. In doing so, obtain the written disclosures and the letter from the independent auditor required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the Audit Committee concerning independence, and discuss with the auditors the auditors' independence. The independent auditors are to be accountable to the Board of Directors and the Audit Committee, as representatives of the shareholders.
- Select, retain, compensate, oversee and terminate, if necessary, any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Company.
- Approve all audit engagement fees and terms; and pre-approve all audit and permitted non-audit and tax services that may be provided by the Company's independent auditors or other registered public accounting firms, and establish policies and procedures for the Committee's pre-approval of permitted services by the Company's independent auditors or other registered public accounting firms on an ongoing basis.
- Review the scope of the audit and the audit procedures utilized.
- Review with the independent auditors, the internal auditor and the Company's financial and accounting personnel the adequacy and effectiveness of the accounting and financial controls of the Company. Emphasis should be given to the adequacy of such internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
- Provide sufficient opportunity for the independent auditors to meet with the members of the Audit Committee without members of management present. Among the items to be discussed in these meetings are the independent auditors' evaluation of the Company's financial, accounting, and auditing personnel, and the cooperation that the independent auditors received during the course of the audit.
- Be available to the independent auditors during the year for consultation purposes.
- Discuss with the independent auditors the matters required to be discussed by Public Company Accounting Oversight Board Auditing Standards No. 1301, *Communications with Audit Committees*, including, without limitation, the auditors' evaluation of the quality of the Company's financial reporting, information relating to significant unusual transactions and the business rationale for such transactions and the auditors' evaluation of the Company's ability to continue as a going concern.

- Review and discuss with the Company's independent auditors (1) all critical accounting policies and practices to be used in the audit; (2) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors; and (3) other material written communications between the auditors and management.
- Review with management and the independent auditors the Company's financial disclosure documents, including all annual and quarterly financial statements and reports filed with the Securities and Exchange Commission or sent to shareholders. Following the satisfactory completion of each year-end review, recommend to the Board the inclusion of the audited financial statements in the Company's Annual Report on Form 10-K to be filed with the Securities and Exchange Commission. The year-end review shall include any significant problems and material disputes between management and the independent auditors and a discussion with the independent auditors out of management's presence of the quality of the Company's accounting principles as applied in its financial reporting, the clarity of the Company's financial disclosures and degree of aggressiveness or conservatism of the Company's accounting principles and underlying estimates, and a frank and open discussion of other significant decisions made by management in, preparing the financial disclosures. With respect to the independent auditors' reviews of Quarterly Reports on Form 10-Q, communication from the independent auditors may be received on behalf of the Audit Committee by the Committee Chair, who will report thereon to the full Audit Committee at its next meeting.
- Review the internal audit function of the Company including the independence and authority of its reporting obligations, the proposed audit plans for the coming year, and the coordination of such plans with the independent auditors.
- Receive reports or summaries of findings from completed internal audits, together with management responses, and monitor progress of the proposed internal audit plan, with explanations for any deviations from the original plan.
- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of reviews conducted.
- Establish and oversee procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
- Prepare the reports required by the laws, rules, and regulations of the applicable regulatory authorities to be included in the Company's proxy statement for its annual meeting of shareholders.

- Submit the minutes of all meetings of the Audit Committee to, or discuss the matters discussed at each committee meeting with, the Board of Directors.
- Investigate any matter brought to its attention within the scope of its duties, with the power to retain outside counsel and such other advisors for this purpose if, in its judgment, that is appropriate. The Committee shall set the compensation, and oversee the work, of any outside counsel and other advisors.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditor. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditor or to assure compliance with laws and regulations.

Delegation of Authority

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.