

**FAUQUIER BANKSHARES, INC**  
**BOARD OF DIRECTORS**  
**GOVERNANCE COMMITTEE CHARTER**

**I. Purpose**

The Governance Committee of Fauquier Bankshares, Inc. (the “Company”) shall provide assistance to the Board of Directors (the “Board”) in fulfilling its responsibilities to the shareholders by:

- Developing and recommending to the Board a set of corporate governance principles applicable to the Company; and
- Overseeing the evaluation of the Board and management.

**II. Structure and Operations**

*Appointment and Removal*

The members of the Committee shall be appointed by the majority vote of the Board annually, and each member shall serve until such member's successor is duly designated or until such member's earlier resignation or removal. Any member of the Committee may be removed from the Committee, with or without cause, by a majority vote of the Board.

Unless a Chairperson is designated by the Board, the members of the Committee shall designate a Chairperson by majority vote of the full Committee membership. The Chairperson will chair all sessions of the Committee and set the agendas for Committee meetings.

*Delegation to Subcommittees*

In fulfilling its responsibilities, the Committee may delegate certain responsibilities to a subcommittee of the Committee and, to the extent not expressly reserved to the Committee by the Board or by applicable law, rule, regulation or listing standard, to any other committee. Any such subcommittee or other committee, however, shall not consist of fewer than two members, and the Committee shall not delegate to a subcommittee or other committee any power or authority required by any law, rule, regulation or listing standard to be exercised by the Committee as a whole.

### **III. Meetings**

The Committee shall ordinarily meet at least two times annually, or more frequently as circumstances dictate. Any member of the Committee may call meetings of the Committee.

Any director of the Company who is not a member of the Committee may attend meetings of the Committee; provided, however, that any director who is not a member of the Committee may not vote on any matter coming before the Committee for a vote. The Committee also may invite to its meetings any member of management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may meet in executive session, as the Committee deems necessary or appropriate.

### **IV. Responsibilities and Duties**

The following functions shall be the common recurring activities of the Committee in carrying out its purpose set forth in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purpose of the Committee outlined in Section I of this Charter.

To fulfill its responsibilities and duties, the Committee shall:

#### **Board Evaluation**

Develop and recommend to the Board for its approval, procedures for annual evaluations of the Board, and individual directors, to occur on alternating years. The Committee shall oversee the annual evaluation process. The evaluations will focus on the Board's contribution to the Company and specifically focus on areas in which the Board, the Governance Committee or Management believes that the Board could improve.

#### **Committee Selection and Composition**

Recommend members of the Board to serve on the committees of the Board, giving consideration to rotation of committee membership and the criteria for service on each

committee as set forth in the charter for such committee, as well as to any factors the Committee deems relevant, and where appropriate, make recommendations regarding the removal of any member of any committee.

### Corporate Governance

- (1) Periodically review the composition and proposed revisions to the charter of each committee of the Board and make recommendations to each committee for the adoption of revisions to the committee charters, the creation of additional committees or the elimination of Board committees.
- (2) Consider the adequacy of the governing documents of the Company and recommend to the Board, as conditions dictate, that the Board adopt amendments to the governing documents.
- (3) Develop and recommend to the Board a set of corporate governance principles and guidelines and keep abreast of developments with respect to corporate governance to enable the Committee to make recommendations to the Board in light of such developments as may be appropriate.
- (4) Consider policies relating to meetings of the Board. This may include meeting schedules and locations, meeting agendas and procedures for delivery of materials in advance of meetings.
- (5) Oversee the development of executive succession plans for the Company.

### Reports

- (1) Report regularly to the Board (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chairperson or any other member of the Committee designated by the Committee to make such report.
- (2) Maintain minutes and other records of meetings and activities of the Committee, as appropriate under applicable law.

**V. Annual Performance Evaluation**

The Committee shall perform an evaluation, at least annually, of the performance of the Committee. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or appropriate. The Committee shall conduct such evaluation and reviews in such manner as it deems appropriate.

Approved by the Board of Directors October 15, 2015.