

The Fauquier Bank

Organizational Functional Area:	Human
Resources	
Policy:	
Whistleblower Policy	
Board Approved:	October 15, 2015
Effective Date:	October 15, 2015
Last Revision Date:	September 19, 2013
Department/Individual Responsible for Maintaining/Updating Policy:	Human Resources

FAUQUIER BANKSHARES, INC.

Purpose of Policy:

Fauquier Bankshares, Inc. (together with The Fauquier Bank, referred to as the “Company” below) is committed to highest standards of ethical, moral and legal business conduct and open communications. The Company is dedicated to achieving compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices. As such, it is the Company’s policy that our reported financial information be accurate and complete in all aspects. Further, it is the policy of the Company to conduct our business in an ethically and financially sound manner in accordance with all applicable laws and regulations. This policy aims to achieve these goals while providing an avenue for all employees, consultants and independent contractors (collectively, “Individuals”) to disclose concerns with the reassurance that they will be protected from any form of retaliation.

This policy is intended to encourage and protect you for disclosing concerns regarding the Company, such as matters regarding:

- incorrect accounting or auditing matters;
- unlawful and/or unethical activity;
- activities that are not in line with the Company’s policies, including the Business Conduct and Ethics Policy;

Individuals who make Disclosures/Complaints pursuant to this Policy are not responsible for investigating the activity or for determining corrective measures. The appropriate management officials are charged with these responsibilities.

Protection from Retaliation:

Individuals making Disclosures/Complaints pursuant to this policy are provided protection in two important aspects: non-retaliation and confidentiality. The Company will not retaliate against Individuals in any way for making a Disclosure/Complaint. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, decreased compensation, poor work assignments, and threats of abuse and/or harm. The right to protection against retaliation does not include immunity for any personal wrongdoing. Thus, Individuals who intentionally and knowingly file a false report of wrongdoing will be subject to disciplinary action up to and including termination.

The confidentiality of a Disclosure/Complaint made pursuant to this policy will be maintained to the extent possible in order to conduct a thorough and effective investigation. However, an identity may have to be disclosed in order to conduct a thorough investigation, to comply with the law and/or to provide accused individuals their legal rights of defense. This policy encourages Individuals to put their names to Disclosures/Complaints because a thorough and effective investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously will be explored appropriately, but consideration will be given to: (i) the seriousness of the issue raised; (ii) the credibility of the concern; and (iii) the likelihood of confirming the allegation from attributable sources.

Disclosures/Complaints:

To assist the Company in its investigation, a Disclosure/Complaint should provide as much specific information as possible regarding the: (i) subject matter; (ii) description of events; (iii) time and location of events; (iv) urgency of the matter; and (v) names and/or descriptions of relevant persons. The ability of the Company to conduct a thorough and effective investigation is facilitated where there is verifiable support for the allegations. To the maximum extent possible, a Disclosure/Complaint should also contain information that is factual rather than speculative. A preferred method of contact for responding to the Disclosure/Complaint and/or requesting additional information (to the extent that it can be provided without compromising the possible desire for anonymity) should also be provided in the Disclosure/Complaint. Any documents potentially relevant to an investigation of a Disclosure/Complaint should also be provided.

Treatment of Disclosures/Complaints:

All Disclosures/Complaints made in good faith shall be forwarded to the Audit Committee for prompt review. The Company will consider each Disclosure/Complaint and take any appropriate corrective action as necessary. All Complaints will be investigated under the direction of the Audit Committee Chairperson. The Audit Committee Chairperson will determine who should lead the investigation, and whether to use an independent third party or an employee of the Company. Investigators may include, but are not limited to: (i) the Human Resources Manager; (ii) senior management; (iii) external/outsourced auditors; and (iv) outside counsel. The Audit Committee Chairperson will seek to assure that each investigator is fully independent. The

individual(s) who will conduct the investigation shall gather such documents and materials and interview such individuals as is reasonably necessary to complete the investigation. All documents and materials compiled during the investigation shall be retained with the Disclosure/Complaint and treated in accordance with this policy and the Company's document retention policy.

The investigator will prepare a report of findings and recommendations based on the results of the investigation to be provided to the Audit Committee. If the findings indicate the Disclosure/Complaint has validity, the Audit Committee will determine the action required, which could include disciplining the responsible individual(s) and/or establishing corrective measures to prevent further violations. The Audit Committee Chairperson will determine whether public disclosure is necessary or appropriate. At the conclusion, the Audit Committee shall direct a designated person to prepare a written report on the Disclosure/Complaint. This report shall be submitted to the Audit Committee for review and approval. A copy of the report shall be maintained with the Disclosure/Complaint and investigation materials.

Procedures for Disclosure/Complaint:

The Company's Audit Committee will oversee the handling of any Disclosures/Complaints made pursuant to this policy, which include, but are not limited to: (i) fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company; (ii) fraud or deliberate error in the recording and maintaining of financial records of the Company; (iii) deficiencies in or noncompliance with the Company's internal accounting controls; (iv) misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of the Company; (v) deviation from full and fair reporting of the Company's financial condition; and (vi) any employment-related consequences resulting from the above-referenced conduct or prior Disclosure/Complaint.

The Human Resources Manager will oversee the handling of any Disclosures/Complaints relating to employment matters such as (i) unlawful activity; (ii) unethical behaviors; and (iii) activities that are not in line with the Company's policies, including the Business Conduct and Ethics policy.

Depending upon the nature of the Disclosure/Complaint, the Audit Committee Chairperson may appoint senior management or the Human Resources Manager to oversee the handling of a Disclosure/Complaint in accordance with this policy. Individuals shall report their Disclosures/Complaints to the Company's Audit Committee Chairperson or Human Resources Manager, using one or more of the following means:

- By mail: Audit Committee Chairperson, P. O. Box 1173, Warrenton, VA 20188;
- By inter-office mail: Place Disclosure/Complaint in an inter-office envelope and address to the Human Resources Manager;
- By e-mail: whistleblower@fauquierbank.com.

All Disclosures/Complaints should specifically reference this policy. Individuals with questions regarding this policy should contact the Human Resources Manager.

Review & Approval Process

This policy will be reviewed and approved by TFB Board of Directors annually. Approval will be followed by distribution to *all* TFB associates for review and acknowledgement.

Policy Accessibility:

Individuals will be provided this policy during the Company's orientation program and thereafter on an annual basis. They also have internal access to this policy through the Company's Intranet. This policy will also be publically accessible through the Company's website at www.fauquierbank.com.

(As adopted October 15, 2015)

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