



March 25, 2025

Dear Fellow Shareholders:

On behalf of the Board of Directors and employees of Prime Meridian Holding Company (the “Company”), it is our pleasure to invite you to the 2025 Annual Meeting of Shareholders. The Annual Meeting will take place at the Prime Meridian Bank - Capital Circle Office, 1897 Capital Circle NE, Tallahassee, Florida 32308 on Wednesday, May 7, 2025 at 6:00 p.m., Eastern Time.

Annual Shareholder Meeting

Location:

***Prime Meridian Bank - Capital Circle Office
1897 Capital Circle NE, Tallahassee, Florida 32308***

Date and Time:

***May 7, 2025
6:00 p.m.***

The Notice of the Annual Meeting of Shareholders and Proxy Statement provided with this letter describe the formal business that will be transacted at the Annual Meeting. Shareholders are being asked to vote on the election of directors and approval of the 2025 Stock Incentive Compensation Plan.

We encourage you to attend the Annual Meeting so that you may meet with our directors, executive officers, and some of our employees, who will be available to answer questions you may have about the Company.

Your vote is very important. Please vote your shares at www.investorvote.com/pmhc over the internet, by telephone, or via mailed proxy card if you received paper copies of your materials. The voting procedures are specified in the enclosed Proxy Statement.

We look forward to seeing you at the Annual Meeting.

Sincerely,

Sammie D. Dixon, Jr.
Vice Chairman, President and
Chief Executive Officer



**NOTICE OF THE ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 7, 2025**

The 2025 Annual Meeting of Shareholders of Prime Meridian Holding Company (the “Company”) will be held at the Prime Meridian Bank - Capital Circle Office, 1897 Capital Circle NE, Tallahassee, Florida 32308 on Wednesday, May 7, 2025, at 6:00 p.m., Eastern Time. At the Annual Meeting, the following items will be presented and voted upon:

- **Proposal 1:** The election of twelve (12) members to the Company’s Board of Directors;
- **Proposal 2:** The approval of the 2025 Stock Incentive Compensation Plan; and
- **Proposal 3:** The adjournment of the Annual Meeting to solicit additional proxies in the event there is an insufficient number of votes to approve either one or both of the foregoing Proposals.

The Board of Directors has fixed the close of business on February 28, 2025, as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting. It is important that your shares be presented and voted at the Annual Meeting. Please vote your shares over the internet at www.investorvote.com/pmhg, by telephone, or via mailed proxy card if you received paper copies of your materials. The voting procedures are specified in the enclosed Proxy Statement. Please vote your shares even if you presently plan to attend the Annual Meeting in person. By doing so, we can ensure that a quorum is present to hold the Annual Meeting. Specific instructions on how to vote your shares may be found in the enclosed Proxy Statement.

By Order of the Board of Directors,

A handwritten signature in dark ink, appearing to read "Sammie D. Dixon, Jr.".

Sammie D. Dixon, Jr.
Vice Chairman, President and
Chief Executive Officer

Tallahassee, Florida
March 25, 2025



PROXY STATEMENT 2025 ANNUAL MEETING OF SHAREHOLDERS

GENERAL MEETING INFORMATION

Date: *Wednesday, May 7, 2025*

Time: *6:00 p.m., Eastern Time*

Location: *Prime Meridian Bank - Capital Circle Office
1897 Capital Circle NE
Tallahassee, Florida 32308*

PROCEDURES FOR VOTING SHARES

Solicitation and Voting of Proxies

This Proxy Statement is being furnished to the shareholders of Prime Meridian Holding Company ("Prime Meridian" or the "Company") as of the close of business on February 28, 2025 (the "Record Date"). The Company's Board of Directors ("Board") is soliciting proxies for use at the 2025 Annual Meeting of Shareholders ("Annual Meeting"). The Annual Meeting will take place at 6:00 p.m. on Wednesday, May 7, 2025. Our Annual Report for 2024 is also posted with this Proxy Statement at www.investorvote.com/pmhg, or if requested was mailed with this Proxy Statement. These documents are being provided to our shareholders on or about March 25, 2025 and offer important information about our business and include our audited financial statements.

It is important that your shares be represented by proxy, or that you are present to vote in person at the Annual Meeting. Please vote your shares at www.investorvote.com/pmhg over the internet, by telephone, or via mailed proxy card, if you received paper copies of your materials. Even if you presently plan to attend at the Annual Meeting, we encourage you to vote your proxy to ensure your vote is counted in the event you unexpectedly are unable to attend the Annual Meeting and vote in person. Proxies solicited by the Board of Directors will be voted in accordance with the directions given therein.

The Board is recommending that you vote:

"FOR" – Proposal 1: The election of the twelve (12) nominees to Prime Meridian's Board of Directors, each to serve a one-year term.

"FOR" – Proposal 2: The approval of the 2025 Stock Incentive Compensation Plan.

"FOR" – Proposal 3: The adjournment of the Annual Meeting in order to solicit additional proxies in the event there is an insufficient number of votes to approve either one or both of the foregoing proposals.

If you do not indicate a voting preference, the proxy holders will vote in accordance with the Board's recommendations as stated above. The Board of Directors knows of no additional business that will be brought up for consideration at the Annual Meeting. However, voting online or by telephone, or the execution of the proxy card, confers discretionary authority on the proxy holders to vote your shares in accordance with their best judgment on any other business that may properly come before the Annual Meeting or any adjournment thereof.

Voting Securities

The securities entitled to vote at this Annual Meeting are the outstanding shares of Company common stock, as of the Record Date, for the determination of the shareholders entitled to notice of and to vote at the Annual Meeting. The total number of record holders of Prime Meridian's common stock outstanding on the Record Date was approximately 336, with 3,323,979 shares of common stock outstanding.

Eligibility to Vote

In accordance with Florida law, the directors of Prime Meridian are elected by a plurality of the votes cast at a meeting at which a quorum is present. Other matters are approved if the affirmative votes cast by the holders of the shares represented at a meeting at which a quorum is present and entitled to vote on the subject matter exceed the votes opposing the action. A shareholder may abstain or withhold a vote with respect to any item submitted for shareholder approval. Abstentions have no effect on any vote. The Company's Articles of Incorporation do not provide for cumulative voting. Therefore, shareholders are entitled to one vote for each share held on all matters presented for consideration at the Annual Meeting.

Voting Your Shares

The manner in which your shares may be voted depends on how shares are held, that is:

Shares Held in Your Name – If you are the record owner of our common stock, meaning that your shares of common stock are represented by certificates or book entries in your name so that you appear as a shareholder on the records of our stock transfer agent, your shares can be voted at www.investorvote.com/pmhg over the internet, by telephone, or via a mailed proxy card if you received paper copies of your materials.

Shares Held in Street Name – If you own shares through a brokerage firm (referred to as shares held in “street name”), you should receive instruction from your broker on how your shares are to be voted.

If your shares are held in street name, under certain circumstances your brokerage firm may vote your shares. Brokerage firms have authority to vote their customers' shares on certain “routine” matters. When a brokerage firm votes its customers' shares on routine matters, those shares are also counted for purposes of establishing a quorum to conduct business at the meeting. A brokerage firm, however, cannot vote its customers' shares on non-routine matters. Accordingly, such shares are not counted as votes against a non-routine matter, but rather are not counted at all for such matters. Proposal 1, the election of directors, and Proposal 2, the approval of the 2025 Stock Incentive Compensation Plan are considered to be non-routine matters.

Revocation of Proxy or Voting Instructions

Your presence at the Annual Meeting will not automatically revoke your proxy or voting instructions. If you hold stock in your own name you may revoke a proxy at any time prior to its exercise by: (i) submitting a written notice of revocation to the attention of the Secretary of the Company; (ii) changing your vote or delivering to the Company a duly executed proxy card bearing a later date; (iii) or by attending the Annual Meeting and voting in person. Shareholders who hold stock in street name may revoke previously submitted voting instructions by contacting their brokerage firm, or by obtaining a legal proxy card from the brokerage firm and voting in person at the Annual Meeting.

Attending the Annual Meeting

If you are the record owner of our common stock, you may attend the Annual Meeting and vote in person, regardless of whether you have previously voted by proxy. If you own common stock through a brokerage account, you may attend the Annual Meeting. However, in order to vote your shares at the Annual Meeting, you must obtain a “legal proxy” from the brokerage firm that holds your shares. You should contact your brokerage account representative to learn how to obtain a “legal proxy.” In either case, we encourage you to vote your shares in advance of the Annual Meeting by one of the methods described above, even if you plan on attending the Annual Meeting. This will enable us to determine if a quorum is present. You may change or revoke your proxy or voting instructions at the Annual Meeting in the manners described above even if you have already voted by proxy card, telephone or online.

PROPOSAL 1 – ELECTION OF DIRECTORS

The following twelve (12) individuals currently serve on Prime Meridian’s Board of Directors and have each been nominated to serve an additional one-year term: *Kenneth H. Compton, William D. Crona, Sammie D. Dixon, Jr., Steven L. Evans, R. Randy Guemple, Chris L. Jensen, Jr., Kathleen C. Jones, Robert H. Kirby, Frank L. Langston, L. Collins Proctor, Sr., Garrison A. Rolle, M.D., and Richard A. Weidner*. Each of these individuals also serves as a member of the Board of Directors of the Bank. Upon the affirmative vote of the shareholders, the nominated individuals will serve as directors until the 2026 Annual Meeting of Shareholders or until such other time as their successors have been duly elected or appointed.

During 2024, each member of the Board of Directors was an “independent director” using the standards set forth under Section 5600 of the Nasdaq Stock Market Rules, except for Mr. Dixon, Mr. Guemple, Mr. Jensen, and Mrs. Jones.

The names and ages of our director nominees, a brief description of their principal occupations and business experience, and certain other related information are presented below. At this time, we know of no reason why any director nominee may not be able to serve, if elected.

Name	Age	Position with the Company	Position with the Bank	Director Since	Principal Occupation	Independent
Kenneth H. Compton	56	Director	Director	2019	CEO, Founder, Compton & Associates, Private Wealth Advisors	✓
William D. Crona	75	Director	Director	2010	Financial Consultant, Investor & retired CPA	✓
Sammie D. Dixon, Jr.	55	CEO, President, Vice Chairman & Director	CEO, President, Vice Chairman & Director	2010	Chief Executive Officer & President	
Steven L. Evans	77	Director	Director	2010	Retired IBM Executive	✓
R. Randy Guemple	73	Director	Director	2010	Retired Executive Vice President, Chief Financial Officer	
Chris L. Jensen, Jr.	68	EVP, Director	SLO, EVP, Director	2010	Executive Vice President, Senior Lender	
Kathleen C. Jones	71	Director	Director	2011	Retired Executive Vice President, Chief Financial Officer	
Robert H. Kirby	58	Director	Director	2010	Businessman, Partner in Rehab Technologies and Huxford Land Co.	✓
Frank L. Langston	67	Director	Director	2010	Principal of NAI TALCOR	✓
L. Collins Proctor, Sr.	55	Director	Director	2010	Principal / Director of FSM (Facility Solutions Management)	✓
Garrison A. Rolle, M.D.	63	Director	Director	2010	Orthopedic Surgeon	✓
Richard A. Weidner	80	Chairman & Director	Chairman & Director	2010	Retired CPA, Partner with Carr, Riggs & Ingram, LLC	✓

Information Concerning Director Nominees

Kenneth H. Compton, age 56, was elected to Prime Meridian’s and the Bank’s Board in May 2019. He is the Founder, President and CEO of Compton & Associates, Private Wealth Advisors, which focuses on asset management, retirement planning, estate planning, and business transition planning. Mr. Compton serves as the Chair of the Compensation Committee and is a member of both the Executive, Nominating, and Corporate Governance Committee and the Audit, Disclosure, and Compliance Committee. Mr. Compton also serves concurrently on the board of Gulf Atlantic Bank, Key West, Florida as Vice Chairman. He was also a director of Community Southern Holdings, Inc. and Community Southern Bank beginning in 2013, where he served as Chairman of the Loan and Compensation committees and served on the Audit and Asset Liability committees. He

remained on the Boards until their sale to Sunshine Bancorp, Inc. in 2015. He then joined the Board of Sunshine Bancorp, Inc. and served as the Sarbanes-Oxley Financial Expert on the Audit Committee until its sale to CenterState Bank Corporation in 2018. His background includes a Juris Doctor degree from the Cumberland School of Law at Samford University, a Master of Laws degree from the University of Denver, Sturm College of Law and Daniels College of Business, and a Bachelor of Arts Degree in International Studies and Foreign Policy from Rhodes College. He has served as an adjunct professor of finance and insurance, as a vesting agent under the Florida Comprehensive Land Use Plan, and as a past Executive Vice President of the Highlands County Board of Realtors. Mr. Compton serves on the Boards of both Baycare's Bartow Regional Medical Center and Main Street Ft. Meade. He also has served on the Board of the Southeastern University Foundation

William D. Crona, age 75, is a founding member of the Boards of the Bank and Prime Meridian. He is a retired certified public accountant. In 2005, he retired from a twenty-three year career with the accounting firm of Law, Redd, Crona and Munroe, P.A., Tallahassee, Florida, where he served as a partner. He currently is a financial consultant and investor in the Tallahassee area. Mr. Crona serves on the Boards of the Apalachee Land Conservancy, Manchebo Beach Resort Hotel, TEC Incorporated, SAVA, and the City of Tallahassee Citizen Advisory Board.

Sammie D. Dixon, Jr., age 55, was part of the management team and Board that formed both the Bank and Prime Meridian. He is the Vice Chairman, Chief Executive Officer and President of Prime Meridian and the Bank. Prior to joining the Bank, from June 2005 to December 2006, he was the Senior Vice President and Commercial Sales Manager for Regions Bank in Tallahassee, Florida. Before that, he served as Chief Executive Officer and President for Bank of Thomas County from August 2003 to June 2005. From April 1999 to 2003, Mr. Dixon held various positions with Bank of Florida – Southwest in Naples, Florida. He began his banking career with NationsBank in 1997. Mr. Dixon previously served as an Administrative Committee Member of the American Bankers Association's Community Bankers Council. He is a former director and Chair of the Greater Tallahassee Chamber of Commerce and Campaign Co-Chair of the United Way of the Big Bend where he also served as a director. He is a member of the Independent Community Bankers of America's Legislative Issues Committee, the Tallahassee Memorial HealthCare Foundation Board of Trustees and the Florida TaxWatch Board of Trustees. He serves on the Boards of the Florida Bankers Association and The Boys and Girls Clubs of the Big Bend. Mr. Dixon attends Saint Peter's Anglican Church.

Steven L. Evans, age 77, is a founding member of the Boards of the Bank and Prime Meridian. He retired from a thirty-year career with IBM in 2003 where he served as Vice President of its North American Education business and IBM's Senior State Executive for its Florida operations. After graduating from the University of Michigan, Mr. Evans played in the St. Louis Cardinal baseball organization for six years before joining IBM. Mr. Evans currently serves on the Boards of the Florida Taxwatch Research Institute, Vineyard Capital, Fringe Benefits Management Corporation, Kyra Infotech Group and is the immediate Past Chairman of the Leon County Economic Vitality Leadership Council. He is also a member of the Presidential Advisory Council for Indian River State College and FSU Health Transformation Committee.

R. Randy Guemple, age 73, is a founding member of the Boards of the Bank and Prime Meridian. He retired as Prime Meridian's and the Bank's Executive Vice President and Chief Financial Officer in March 2019. He was formerly a certified public accountant. Prior to assuming these offices, he was a retired bank executive, and served as Executive Vice President, Chief Operating Officer, and Chief Financial Officer of First Bank of Florida in West Palm Beach, Florida. He is a Past Chairman of the Financial Managers Society, Inc. headquartered in Chicago, Illinois and the Southern Scholarship Foundation, Inc. in Tallahassee, Florida. Mr. Guemple is a Past Chairman and current member of the Board of Trustees for the Tallahassee Memorial HealthCare Foundation, Inc. He is also Director Emeritus of Elder Care Services, Inc. and an active member of the Tallahassee Kiwanis Club. Mr. Guemple is a graduate of Florida State University (FSU) where he received a Bachelor of Science in Accounting and his Master of Business Administration. He played baseball while at FSU and is a member of Good Shepherd Catholic Church.

Chris L. Jensen, Jr., age 68, was part of the management team and Board that formed both the Bank and Prime Meridian. He is an Executive Vice President of Prime Meridian and the Bank's Executive Vice President and Senior Lender. Prior to joining the Bank, from February 2005 to 2007, he served as Tallahassee Market President for Regions Bank. Before that, Mr. Jensen held various management positions with SouthTrust Bank from 1997 to 2005, culminating with the position of Tallahassee's Market President. He also served as Senior Lender for First Bank of Tallahassee in its de novo stage in 1990. Mr. Jensen has over forty years of lending experience in Tallahassee and the surrounding markets. He is active in the community and currently serves on the Board of the Suwannee River Area Council for the Boy Scouts of America.

Kathleen C. Jones, age 71, was part of the management team that formed both the Bank and Prime Meridian and has been a member of both Boards since 2011. She retired as Prime Meridian's and the Bank's Executive Vice President and Chief Financial Officer in December 2015. Prior to joining the Bank, she spent thirty-six years with SunTrust Bank and its Tallahassee predecessor institutions. Mrs. Jones retired from SunTrust Bank in 2007, at the position of North Florida Regional Senior Vice President, Senior Banking Operations Manager. She is a 1978 graduate of Florida State University where she received a Bachelor of Science in Finance. She also is a 1988 graduate of the Graduate School of Banking of the South in Baton Rouge, Louisiana.

Robert H. Kirby, age 58, was elected to Prime Meridian's and the Bank's Board in May 2010. He is a partner in Rehab Technologies, LLC, a medical equipment sales and leasing business, and Huxford Land Company, LLC, a land and timber company. Mr. Kirby currently serves as President and Chief Executive Officer of Cedar Creek Land and Timber Company, Inc. and T.R. Miller Woodlands, Inc., and as a member of the management executive committees of T.R. Miller Mill Company, Inc. and Neal Land Alabama, Inc., all located in Brewton, Alabama. Mr. Kirby received a bachelor's degree from the University of the South, Sewanee, Tennessee and a Master of Business Administration from the University of Alabama, Tuscaloosa, Alabama.

Frank L. Langston, age 67, is a founding member of the Boards of the Bank and Prime Meridian. He has been a principal/owner, since 2000, with the real estate services company NAI TALCOR, located in Tallahassee, Florida. From 1990 to 2000, Mr. Langston was affiliated with NAI TALCOR as an independent contractor. After attending Auburn University, Mr. Langston entered the management training program of First Florida Banks in Tampa. While assigned to the Marketing Department, Mr. Langston gained valuable first-hand real estate experience in locating bank branch locations around the state. In addition, he participated in strategic planning, new product development, and market analysis. From 1981 to 1984, Mr. Langston served as Marketing Director with the responsibility of business development for the Tallahassee office. In May 1989, he entered the commercial real estate business specializing in retail and office sales and leasing, and bank-owned real estate. Mr. Langston is a Certified Commercial Investment Member, a Florida licensed broker-salesman, and an Alabama licensed broker. He is also a member of the National Association of Realtors, the Florida Association of Realtors, and the Tallahassee Association of Realtors. He currently serves on the Board of Anna's Foundation, Advisory Board of the Master of Real Estate Development Program at Auburn University and the Community Board of the Tallahassee Campus of the Florida State University, College of Medicine.

L. Collins Proctor, Sr., age 55, is a founding member of the Boards of the Bank and the Company. He is a founding partner (2011) of Facility Solutions Management (FSM) which optimizes facility performance and operating costs through its Controls, Mechanical, Plumbing, Engineering, and Energy Services divisions for corporate, government, medical, and education clients throughout the continental United States and Puerto Rico. In addition to managing firm level strategies, Mr. Proctor focuses primarily within FSM's Energy Services division overseeing strategy, financing, quality control, and the development of FSM's "Huckleberry" energy and environmental management software platform. Prior to FSM, Mr. Proctor was an investor/partner of Red Brick Partners, LLC, a real estate and private equity investment entity started in 2006. Prior to 2006, Mr. Proctor owned and managed a Florida real estate acquisition and construction advisory firm, an affiliate of a national firm with which he was associated for ten years. Mr. Proctor received his Bachelor of Arts from Vanderbilt University and his Master of Business Administration from Emory University; between which times he served five years with NationsBank (now Bank of America) in its leveraged leasing division managing over \$3.5 billion in equipment financing for large corporate and municipal clients.

Garrison A. Rolle, M.D., age 63, is a founding member of the Boards of the Bank and Prime Meridian. He is an orthopedic surgeon who joined the Tallahassee Orthopedic Clinic in 1997. He served on AmSouth Bank's Advisory Board of Directors in Tallahassee, Florida and was formerly a director of Regions Bank in Tallahassee, Florida. Dr. Rolle played football for the University of Florida while pursuing his Bachelor of Science degree. He received his medical degree from the University of Florida, College of Medicine.

Richard A. Weidner, CPA, age 80, is a founding member and Chairman of the Boards of the Bank and Prime Meridian. On December 31, 2020, Mr. Weidner retired from an eighteen-year career with the accounting firm of Carr, Riggs & Ingram, LLC. He is a certified public accountant with an inactive license and former partner and Partner Oversight Director of Carr, Riggs & Ingram, LLC. In 2002, this firm acquired Williams, Cox, Weidner & Cox, P.A., Tallahassee, Florida, which Mr. Weidner helped establish in 1972. From approximately 1998 to 2001, Mr. Weidner served as an Advisory Board member for SunTrust Bank. Mr. Weidner is a past member of the Tallahassee Community College Foundation Board. He is a Past Treasurer of the Tallahassee Chamber of Commerce, Past President of the Tallahassee YMCA, and Past Treasurer of the Maclay School Board of Directors. He has also served on the Leon County Library Advisory Board and was a United Way Campaign Captain.

Information Concerning Our Non-Director Executive Officers

Susan Payne Turner, age 58, has been with the Bank since 2013. She is presently the Executive Vice President and Chief Risk Officer (CRO) of the Bank and Prime Meridian. Mrs. Turner began her banking career in 1983. From 2010 to 2013, she was a Regional Retail Leader for Centennial Bank, where she managed ten branches located in Leon, Wakulla, Calhoun, and Liberty Counties. Mrs. Turner is a graduate of Florida State University and received a Master of Business Administration from Troy University in 2005. She is a Certified Enterprise Risk Professional. She is also a graduate from the Graduate School of Banking at Louisiana State University. Mrs. Turner served as a Past Chair for the Florida Bankers Education Foundation. She is Past Chair and serves as Director Emeritus for the Tallahassee Community College Foundation. She also serves as Past Chair for the Tallahassee Community College Alumni and Friends Association and Director Emeritus on the Board for the Wakulla County Chamber of Commerce. She is a member of the Coastal Optimist Club, is the Associate Director of the Wakulla County Historical Society and serves as Chair on the Board for the Community Foundation of North Florida.

Dr. Monté L. Ward, age 43, has been with the Bank since 2011. He is presently the Executive Vice President and Chief Information Officer of the Bank and Prime Meridian. Prior to joining the Bank, he was Assistant Vice President and held various operational, compliance and information technology positions at Premier Bank from 2002 to 2011. Mr. Ward has a background in software programming and hacking/intrusion. He holds various certifications and designations such as Certified Information Systems Security Professional, Certified Information Security Manager, Certified Regulatory Compliance Manager, Accredited ACH Professional and others in technology, security, risk, and compliance. He is a graduate of Florida Agricultural & Mechanical University where he received a Bachelor of Science in Electrical Engineering. He received a Master of Science in Cybersecurity from National University. In 2024, he received his Doctorate in Business Administration from the University of South Florida. Mr. Ward is also a graduate of the American Bankers Association Stonier Graduate School of Banking and the Wharton Leadership Program at the University of Pennsylvania.

Clint F. Weber, age 43, has been with the Bank since 2013. He is presently the Executive Vice President and Chief Financial Officer of the Bank and Prime Meridian. Prior to joining the Bank, he was Vice President and held various credit positions at Premier Bank and its successor financial institution Centennial Bank from 2008 to 2013. From 2003 to 2008, he was a Financial Institution Examiner at the Florida Office of Financial Regulation. Mr. Weber's work experience includes credit risk management, regulatory compliance, accounting, and asset/liability management. Mr. Weber is a graduate of Florida State University where he received a Bachelor of Science in Finance and Real Estate. He is also a graduate of the Florida School of Banking at the University of Florida.

The following table sets forth the number of shares and percentages of common stock that the directors and non-director executive officers beneficially owned as of the Record Date.

Name	Number of Shares⁽¹⁾	Right to Acquire	Beneficial Ownership⁽²⁾
Kenneth H. Compton	8,871	12,500	0.64%
William D. Crona	54,719	8,500	1.90
Sammie D. Dixon, Jr.	171,216	32,883	6.08
Steven L. Evans	34,230	10,500	1.34
R. Randy Guemple	38,130	8,500	1.40
Chris L. Jensen, Sr.	62,133	6,150	2.05
Kathleen C. Jones	19,125	10,125	0.88
Robert H. Kirby ⁽³⁾	91,325	2,500	2.82
Frank L. Langston	39,065	8,500	1.43
L. Collins Proctor, Sr. ⁽⁴⁾	34,000	2,500	1.10
Garrison A. Rolle, M.D.	40,872	8,500	1.48
Susan Payne Turner ⁽⁵⁾	16,430	4,800	0.64
Monté L. Ward	10,957	4,800	0.47
Clint F. Weber	15,589	4,800	0.61
Richard A. Weidner	109,540	2,500	3.37
	<u>746,202</u>	<u>128,058</u>	<u>25.33%</u>

- (1) Includes shares for which the named person:
 - has sole voting and investment power
 - has voting and investment power with a spouse;
 - holds in an IRA or other retirement plan program, unless otherwise indicated in these footnotes
- (2) Based on 3,323,979 shares issued and outstanding plus the listed individual exercising his or her stock options.
- (3) Mr. Kirby's shares include 1,000 shares owned by Mr. Kirby's spouse.
- (4) Mr. Proctor's shares include 9,000 shares beneficially owned with Mr. Proctor's spouse through her 401-K and IRA and as custodian of UGTMA/FL accounts.
- (5) Mrs. Turner's shares include 350 beneficially owned by Mrs. Turner as custodian of UGTMA/FL account.

The Board of Directors Recommends that Shareholders Vote “FOR” the Election of the Twelve (12) Director Nominees to the Board of Directors.

PROPOSAL 2 – APPROVAL OF THE 2025 STOCK INCENTIVE COMPENSATION PLAN

On February 20, 2025, the Board of Directors adopted the Prime Meridian Holding Company 2025 Stock Incentive Compensation Plan (“2025 Plan”), subject to shareholder approval at this Annual Meeting. The 2025 Plan will replace the current 2015 Stock Incentive Compensation Plan (“2015 Plan”). If the 2025 Plan is approved, no further grants will be made under the 2015 Plan. If the shareholders approve the 2025 Plan, its effective date will be May 7, 2025, the date of the Annual Meeting. A copy of the 2025 Plan is attached to this Proxy Statement as Appendix A. The following description of the 2025 Plan is qualified in its entirety by the text of the 2025 Plan.

Plan Summary

Pursuant to the 2025 Plan, selected employees and/or directors of Prime Meridian and the Bank will be eligible to receive awards of various forms of equity-based incentive compensation, including stock options (incentive and non-qualified, as applicable), stock appreciation rights, restricted stock awards, performance units, and phantom stock, as well as awards consisting of combinations of such incentives. Under the 2025 Plan, a total of 600,000 shares of common stock will be reserved for issuance as part of such award grants.

The 2025 Plan will be administered by the Compensation Committee, which will have the authority to interpret the 2025 Plan, to establish rules as deemed necessary for the implementation or maintenance of the 2025 Plan, to determine grants for eligible participants under the 2025 Plan, to make all other decisions or determinations required or considered appropriate for the operation of the 2025 Plan and the distribution of benefits under the 2025 Plan, and to retain professional assistance in the evaluation of director and senior executive officer compensation. Our Board of Directors has reserved to itself the right to amend or terminate the 2025 Plan. However, no amendment may be implemented without approval of the shareholders to the extent such approval is required under applicable law. Furthermore, in no case can options be re-priced either by cancellation and re-grant or by lowering the exercise price of a previously granted award.

New Plan Benefits

The amount of awards payable under the 2025 Plan, if any, to any participant is not presently determinable as awards have not yet been determined. Participation in the 2025 Plan does not guarantee the payment of an award, and all awards under the 2025 Plan are discretionary and subject to approval by the Compensation Committee, as described above.

Required Vote

The 2025 Plan must be approved by a majority of the votes represented in person or by written proxy and voted at the Annual Meeting.

**The Board of Directors Recommends that Shareholders Vote “FOR”
the 2025 Stock Incentive Compensation Plan.**

DIRECTOR COMPENSATION

During 2024, the Bank paid its directors \$1,700 per board meeting attended and \$350 per board committee meeting attended, including committee chairs. In addition, the Chairman of the Board was paid a \$12,000 retainer, the Compensation committee chair was paid an \$8,000 retainer, the Audit committee chair was paid a \$6,500 retainer, and the ALCO and IT committee chairs were each paid \$2,500 retainers in 2024. Additionally, Mrs. Jones was paid \$89,624 and Mr. Guemple was paid \$30,000 in consultant fees in 2024 for their roles as Senior Advisors. Excluding compensation to Mr. Dixon and Mr. Jensen, the Bank paid a total of \$406,709 in fees paid in cash and shares of stock to its directors in 2024.

In 2012, Prime Meridian's Board of Directors and shareholders adopted the Directors' Compensation Plan (the "Directors' Plan"). Pursuant to the Directors' Plan, each director is permitted to elect to receive his or her board and committee fees in either shares of stock or cash. To encourage directors to elect to receive stock, the Directors' Plan provides that if a director elects to receive stock, he or she will receive in common stock 110% of the amount of cash fees set by the Compensation Committee and approved by the Board. The stock to be awarded pursuant to the Directors' Plan will be valued at the closing price of a share of common stock as traded on any national market or exchange, or a price set by the Compensation Committee and approved by the Board, acting in good faith, but in no case less than fair market value. In 2024, the Board used the greater of quarter-end book value or quarter-end volume weighted-average market price to determine what the fair market value of Prime Meridian common stock was for purposes of the Directors' Plan. The maximum remaining number of shares to be issued pursuant to the Directors' Plan is limited to 24,226, which is approximately 0.73% shares outstanding as of the record date. In 2024, our directors received 4,243 shares of common stock, in lieu of cash, under the Directors' Plan.

The following table sets forth the cash compensation or stock compensation paid, earned, or awarded during 2024 to each of our directors other than executive officers Mr. Dixon and Mr. Jensen, whose compensation is described in the "Summary Compensation Table." Total number of shares awarded in 2024 under the Director's Compensation plan was 5,436 which includes Steven Smith and Michael Micallef's 628 and 565 shares respectively. Director Emeritus Smith and Director Emeritus Micallef retired from the Board May 9, 2024.

Director	Total Fees Awarded in Stock		Total Fees Earned and Paid in Cash	Retainer Fees	Total Value of Compensation
	Cash Value	# of Shares	Cash	Fees	
Kenneth H. Compton	\$ -	-	\$ 24,600	\$ 8,000	\$ 32,600
William D. Crona	-	-	23,250	6,500	29,750
Steven L. Evans	30,891	1,221	-	-	30,891
R. Randy Guemple ⁽¹⁾	-	-	56,000	-	56,000
Kathleen C. Jones ⁽²⁾	-	-	114,574	-	114,574
Robert H. Kirby	27,048	1,068	-	-	27,048
Frank L. Langston	25,529	1,008	-	-	25,529
L. Collins Proctor, Sr.	-	-	26,000	3,750	29,750
Garrison A. Rolle, M.D.	23,967	946	-	-	23,967
Richard A. Weidner	-	-	24,600	12,000	36,600
Total	<u>\$ 107,435</u>	<u>4,243</u>	<u>\$ 269,024</u>	<u>\$ 30,250</u>	<u>\$ 406,709</u>

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- (1) For providing consulting services to the Bank, R. Randy Guemple was paid \$30,000 in consulting fees in addition to fees for service on the Boards of Directors and their committees.
- (2) For providing consulting services to the Bank, Kathleen C. Jones was paid \$89,624 in consulting fees in addition to fees for service on the Boards of Directors and their committees.

Summary Compensation Table

Name and Principal Position	Year	Salary ⁽¹⁾	Bonus	Stock Awards ⁽²⁾	Stock Options Granted ⁽³⁾	All Other Compensation ⁽⁴⁾	Total
Sammie D. Dixon, Jr.	2024	\$ 432,915	\$ 143,403	\$ 44,904	\$ 500,009	\$ 126,218	\$ 1,247,449
Vice Chairman, President and CEO	2023	412,300	70,000	44,661	-	114,639	641,600
	2022	388,962	150,000	99,991	-	109,985	748,938
Chris L. Jensen, Jr.	2024	\$ 239,318	\$ 81,924	\$ -	\$ -	\$ 21,867	\$ 342,105
EVP and Bank Senior Lender	2023	238,317	40,461	112,600	-	101,007	492,385
	2022	226,969	68,091	-	-	107,945	403,005

(1) Includes salary deferred at the election of the executive under the Bank's 401(k) retirement plan.

(2) Mr. Dixon's 2023 and 2024 stock awards were part of his discretionary bonus. Mr. Jensen was awarded 5,000 shares of restricted stock in the 3rd quarter of 2023.

(3) Mr. Dixon was awarded 17,883 shares of Incentive Stock Options in the 1st Quarter of 2025.

(4) The figures in the "all other compensation" column, include the Bank's contributions for Mr. Dixon and Mr. Jensen under Defined Contribution Agreements. In addition, "all other compensation" includes the sum of matching contributions under the Bank's 401(k) plan, the imputed monetary value of split dollar life insurance benefits, and vehicle-related expenses for Mr. Dixon and Mr. Jensen. For 2024, 2023, and 2022, the Bank made contributions to the Defined Contribution Agreements of \$94,715, \$91,072, and \$87,570 respectively, for Mr. Dixon, and contributions of \$78,387 and \$86,455, for Mr. Jensen in 2023 and 2022 respectively. For 2024, 2023, and 2022, the Bank made contributions to the Bank's 401(k) Plan of \$13,800, \$13,200, and \$12,200, respectively, for Mr. Dixon, and contributions of \$12,587, \$12,726, and \$11,771, respectively, for Mr. Jensen. For 2024, 2023 and 2022, the imputed value of split dollar life insurance benefits for income tax purposes was \$1,703, \$2,366, and \$2,216, respectively, for Mr. Dixon, and \$1,280, \$1,895, and \$1,719, respectively for Mr. Jensen. Car-allowance expense in 2024 was \$16,000 for Mr. Dixon, and \$8,000 in each of 2023 and 2022. Car-allowance expense was \$8,000 for Mr. Jensen in each of 2024, 2023, and 2022.

BOARD OF DIRECTORS AND COMMITTEES

Meetings

During the year ended December 31, 2024, Prime Meridian's Board of Directors held twelve (12) regular meetings and one (1) special meeting. Each of our directors attended at least 75% of the total meetings of the Board of Directors and the committees on which they serve.

Committees of the Board of Directors

Prime Meridian presently has three Board Committees chartered, the Audit Committee, the Compensation Committee and the Executive, Nominating, and Corporate Governance Committee. During 2024, the membership of each Committee was as follows:

<u>Name</u>	<u>Audit Committee</u>	<u>Compensation Committee</u>	<u>Executive, Nominating, and Corporate Governance Committee</u>
Kenneth H. Compton	X	Chair	X
William D. Crona	Chair		
Sammie D. Dixon, Jr.			X
Steven L. Evans	X	X	
Kathleen C. Jones		X	X
Robert H. Kirby	X	X	X
Richard A. Weidner	X	X	Chair

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

We encourage our directors, executive officers, and their immediate family members to establish client relationships with the Bank. Loans made to directors, executive officers, and their immediate families, as well as any principal shareholders, require approval of a majority of the disinterested directors. All transactions between the Company or the Bank and their directors, executive officers, the immediate family members of directors and executive officers, employees, and any principal shareholders, were made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with non-affiliated persons, and in the opinion of management, did not involve more than the normal risk of collectability or present any other unfavorable features.

As of December 31, 2024, loans to directors, officers, and their immediate family members or businesses represented \$6.6 million, or approximately 0.94% of the Bank's total loan portfolio. All of these loans are current and performing according to their terms.

During 2024, Prime Meridian and the Bank purchased various insurance policies through Earl Bacon Agency, Inc., that employs the spouse of director Kathleen C. Jones. The premiums paid totaled \$2.0 million and included health insurance premiums for employees. Mr. Jones' interest in such premiums was \$26,084. Prime Meridian and the Bank intend and expect to purchase insurance policies from Earl Bacon Agency, Inc. again in 2025.

PROPOSAL 3 – ADJOURNMENT OF THE ANNUAL MEETING

The Board of Directors is asking for your approval to adjourn the Annual Meeting in the event that there are an insufficient number of votes to approve either of Proposals 1 or 2 at the Annual Meeting. In order to permit proxies that have been timely received by the Board to be voted for an adjournment, we are submitting this Proposal as a separate matter for your consideration. If it is necessary to adjourn the Annual Meeting and the adjournment is for a period of less than 30 days, no notice of the time and place of the reconvened meeting will be given to shareholders, other than an announcement made at the Annual Meeting.

**The Board of Directors Recommends that the Shareholders Vote “FOR”
the Adjournment of the Annual Meeting.**

**PRIME MERIDIAN HOLDING COMPANY
Tallahassee, Florida
March 25, 2025**

APPENDIX

APPENDIX A
2025 STOCK INCENTIVE COMPENSATION PLAN

1. Purpose.

The purpose of the 2025 Stock Incentive Compensation Plan (“Plan”) of Prime Meridian Holding Company (“Prime Meridian” or “Company”) is to provide a means through which the Company and its subsidiary, Prime Meridian Bank (“Bank”), may attract able persons to enter and remain in the employ or other service of the Company and the Bank, and to provide a means whereby those persons upon whom the responsibilities of the successful administration and management of Prime Meridian and rest, and whose present and potential contributions to the welfare of the Company are of importance, can acquire and maintain stock ownership, thereby strengthening their commitment to the welfare of the Company and promoting an identity of interest between Prime Meridian’s shareholders and the Plan participants. Furthermore, the Plan is to be used to provide Plan participants with additional incentive and reward opportunities designed to enhance the profitable growth of the Company. The Plan provides for the granting of the following forms of stock compensation: Incentive Stock Options; Non-qualified Stock Options; Stock Appreciation Rights; Restricted Stock Awards; Phantom Stock Unit Awards; and Performance Share Units, or any combination of the foregoing.

2. Definitions.

The following definitions shall be applicable throughout the Plan.

(a) “**Appreciation Date**” shall mean the date designated by a Holder of Stock Appreciation Rights for measurement of the appreciation in the value of rights awarded to him, which date shall be the date notice of such designation is received by the Committee, or its designee.

(b) “**Award**” shall mean, individually or collectively, any Incentive Stock Option, Non-qualified Stock Option, Stock Appreciation Right, Restricted Stock Award, Phantom Stock Unit Award, or Performance Share Unit Award.

(c) “**Board**” shall mean the Board of Directors of Prime Meridian.

(d) “**Cause**” shall mean the Company or the Bank having cause to terminate a Participant’s employment under any existing employment agreement between the Participant and the Company or the Bank or, in the absence of such an employment agreement, upon: (i) the determination by the Committee that the Participant has failed to perform his duties to Prime Meridian or the Bank (other than as a result of his incapacity due to physical or mental illness or injury), which failure amounts to an intentional and extended neglect of his duties to such party; (ii) the Committee’s determination that the Participant has engaged in or is about to engage in conduct materially injurious to Prime Meridian or the Bank; or (iii) the Participant having been convicted of a felony.

(e) “**Change in Control**” shall, unless the Committee otherwise directs by resolution adopted prior thereto, be deemed to occur if: (i) any “person” (as that term is used in Sections 13 and 14(d)(2) of the Securities and Exchange Act of 1934 [“Exchange Act”]) is or becomes the beneficial owner (as that term is used in Section 13(d) of the Exchange Act), directly or indirectly, of fifty percent (50%) or more of the voting stock; or (ii) during any 12-month period, individuals who at the beginning of such period constitute the Board cease for any reason to constitute at least a majority thereof, unless the election or the nomination for election by Prime Meridian’s shareholders of each new director was approved by a vote of at least three-quarters of the directors then still in office who were directors at the beginning of the period. Any merger, consolidation or corporate reorganization in which the owners of Prime Meridian’s capital stock entitled to vote in the election of directors (“Voting Stock”) prior to said combination, own fifty percent (50%) or more of the resulting entity’s voting stock shall not, by itself, be considered a Change in Control.

(f) “**Code**” shall mean the Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to such section and any regulations under such section.

(g) “**Committee**” shall mean the Compensation Committee of the Board which shall be comprised of three or more Directors, all but one of whom must meet the independence requirements under the NASDAQ Marketplace Rules (i.e. non-employee outside directors who are free from any relationship that would interfere with the exercise of his or her independent judgment).

(h) “**Common Stock**” shall mean the Common Stock of the Company, par value \$0.01 per share.

(i) “**Company**” shall mean Prime Meridian Holding Company, a Florida corporation.

(j) “**Date of Grant**” shall mean the date on which the granting of an Award is authorized or such other date as may be specified in such authorization.

(k) “**Director Fees**” shall mean annual retainers, monthly fees or committee meeting fees for serving as directors of Prime Meridian or the Bank.

(l) “**Disability**” shall mean the Company or the Bank having the right to terminate for disability a Participant’s employment under any existing employment agreement between the Participant and the Company or the Bank or, in the absence of such an employment agreement, upon the complete and permanent inability by reason of illness or accident to perform the duties of the occupation at which a Participant was employed when such disability commenced or, if the Participant was retired when such disability commenced, the inability to engage in any substantial gainful activity, as determined by the Committee based upon medical evidence acceptable to it.

(m) “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended.

(n) “**Fair Market Value**” shall mean the average of: (i) the high and low prices of the Common Stock on the principal national securities exchange on which the Common Stock is traded for the ten (10) trading days immediately preceding the date of determination, if the Common Stock is then traded on a national securities exchange; or (ii) the last reported sale price of the Common Stock on the NASDAQ National Market for the ten (10) trading days immediately preceding the date of determination, if the Common Stock is not then traded on a national securities exchange; or (iii) the closing bid price last quoted by an established quotation service for over-the-counter securities for the ten (10) trading days immediately preceding the date of determination, if the Common Stock is not reported on the NASDAQ National Market. However, if the Common Stock is not publicly-traded at the time an Award is granted under the Plan, “Fair Market Value” shall be deemed to be the fair value of the Common Stock as determined by the Committee after taking into consideration all factors which it deems appropriate, including, without limitation, recent sale and offer prices of the Common Stock in private transactions negotiated at arm’s length.

(o) “**Holder**” shall mean a Participant who has been granted an Award under the Plan.

(p) “**Incentive Stock Option**” shall mean an Option granted by the Committee to a Participant under the Plan which is designated by the Committee as an Incentive Stock Option pursuant to Section 422 of the Code.

(q) “**Measurement Period**” shall mean a period of time within which performance is measured for the purpose of determining whether an award of Performance Share Units has been earned.

(r) “**Non-qualified Stock Option**” shall mean an Option granted by the Committee to a Participant under the Plan which is not designated by the Committee as an Incentive Stock Option, as contemplated by Section 422 of the Code.

(s) “**Normal Termination**” shall mean termination: (i) with respect to Prime Meridian or the Bank, at retirement (excluding early retirement) pursuant to the Company retirement plan then in effect; (ii) on account of Disability; (iii) a resignation by the Participant with the written approval of the Committee; or (iv) by Prime Meridian or the Bank without cause.

(t) “**Option**” shall mean an Award granted under Section 6 of the Plan.

(u) “**Option Period**” shall mean the period described in Section 6(c).

(v) “**Participant**” shall mean any person eligible to receive Awards under the Plan who is regularly employed by Prime Meridian or the Bank or serving as a director of Prime Meridian or the Bank.

(w) “**Performance Goals**” shall mean the performance objectives of Prime Meridian and the Bank during a Measurement Period or Restricted Period established for the purpose of determining whether, and to what extent, Awards will be earned for a Measurement Period or Restricted Period.

(x) “**Performance Share Unit**” shall mean a hypothetical investment equivalent, equal to one share of Common Stock granted in connection with an Award made under Section 8 of the Plan.

(y) “**Phantom Stock Unit**” shall mean a hypothetical investment equivalent, equal to one share of Common Stock granted in connection with an Award made under Section 9 of the Plan, or credited with respect to Awards of Performance Share Units which have been deferred under Section 8.

(z) “**Plan**” shall mean the 2025 Stock Incentive Compensation Plan of Prime Meridian Holding Company.

(aa) “**Prime Meridian**” shall mean Prime Meridian Holding Company.

(bb) “**Restricted Period**” shall mean, with respect to any share of Restricted Stock, the period of time determined by the Committee during which such share of Restricted Stock is subject to the restrictions set forth in Section 9(b) of the Plan.

(cc) “**Restricted Stock**” shall mean shares of Common Stock issued or transferred to a Participant subject to the restrictions set forth in Section 9 and any new, additional, or different securities a Participant may become entitled to receive as a result of adjustments made pursuant to Section 11.

(dd) “**Restricted Stock Award**” shall mean an Award granted under Section 9 of the Plan.

(ee) “**Securities Act**” shall mean the Securities Act of 1933, as amended.

(ff) “**Stock Appreciation Right**” or “SAR” shall mean an Award granted under Section 7 of the Plan.

(gg) “**Valuation Date**” shall mean the last day of a Measurement Period or the date of death of a Participant, as applicable.

3. Effective Date, Duration, Shareholder Approval, and Termination of 2025 Stock Option Plan.

The Board of Directors of Prime Meridian at a meeting held on February 20, 2025, recommended the Plan for the approval by the Company’s shareholders at its 2025 Annual Meeting of Shareholders. The Plan will be effective following the Company’s receipt of shareholder approval. The Plan shall continue in effect for a term of ten (10) years thereafter unless sooner terminated under Section 15 of the Plan. Upon the effective date of the Plan, no further awards shall be granted under the Company’s 2015 Stock Incentive Compensation Plan. Any outstanding stock option granted under the 2015 Stock Incentive Compensation Plan will be governed under the terms of the 2025 Stock Incentive Compensation Plan, but no new stock option grants will be awarded under the 2015 Stock Incentive Compensation Plan.

4. Administration.

The Committee shall administer the Plan. A majority of the members of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present or acts approved in writing by unanimous consent of the Committee shall be deemed the acts of the Committee. Subject to the provisions of the Plan, the Committee shall have exclusive power to:

- a. Select the persons to be Participants in the Plan;
- b. Determine the nature and extent of the Awards to be made to each Participant;

- c. Determine the time or times when Awards will be made;
- d. Determine the duration of each Measurement Period;
- e. Determine the conditions to which the payment of Awards may be subject;
- f. Establish the Performance Goals for each Measurement Period;
- g. Prescribe the form or forms of agreement evidencing Awards; and
- h. Cause records to be established in which there shall be entered, from time to time as Awards are made to Participants, the date of each Award, the number of Incentive Stock Options, Non-qualified Stock Options, SARs, Phantom Stock Units, Performance Share Units and Shares of Restricted Stock awarded by the Committee to each Participant, the expiration date, the Measurement Period, and the duration of any applicable Restricted Period.

The Committee shall also have the authority, subject to the provisions of the Plan, to establish, adopt, or revise such rules and regulations and to make all such determinations relating to the Plan as it may deem necessary or advisable for the administration of the Plan. The Committee's interpretation of the Plan or any Awards granted pursuant thereto and all decisions and determinations by the Committee with respect to the Plan shall be final, binding, and conclusive on all parties unless otherwise determined by the Committee.

Subject to any limitations imposed by law, the Committee shall have the right to delegate to an executive officer of the Company the Committee's authority under the Plan.

5. Grant of Awards.

The Committee may, from time to time, grant awards of Options, Stock Appreciation Rights, Restricted Stock, Phantom Stock Units and/or Performance Share Units to one or more Participants; provided, however, that:

(a) Subject to Section 11 of the Plan, the aggregate number of shares of Common Stock made subject to Awards under this Plan shall be 600,000 shares of Common Stock;

(b) Such shares shall be deemed to have been used in payment of Awards whether they are actually delivered or the Fair Market Value equivalent of such shares is paid in cash. In the event any Option, SAR not attached to an Option, Restricted Stock, Phantom Stock Unit or Performance Share Unit shall be surrendered, terminate, expire, or be forfeited, the number of shares of Common Stock no longer subject thereto shall thereupon be released and shall thereafter be available for new Awards under the Plan to the fullest extent permitted by the Exchange Act (if applicable at the time); and

(c) Common Stock delivered by the Company in settlement of Awards under the Plan may be authorized and unissued Common Stock or Common Stock held in the treasury of the Company or may be purchased on the open market or by private purchase at prices no higher than the Fair Market Value at the time of purchase.

(d) Participants shall be limited to directors, officers, and employees of Prime Meridian and the Bank who have received written notification from the Committee that they have been selected to participate in the Plan.

6. Stock Options.

One or more Incentive Stock Options or Non-qualified Stock Options can be granted to any Participant; provided, however, that Incentive Stock Options may be granted only to Participants who are officers or employees of the Company or the Bank. Each Option so granted shall be subject to the following conditions.

(a) *Option price.* In the case of an Incentive Stock Option or Non-qualified Stock Option, the option price ("Option Price") per share of Common Stock shall be set by the Committee at the time of grant, but shall not be less than the Fair Market Value of a share of Common Stock at the Date of Grant.

(b) *Manner of exercise and form of payment.* Options which have become exercisable may be exercised by delivery of written notice of exercise to the Committee accompanied by payment of the Option Price. The Option Price shall be payable in cash and/or shares of Common Stock valued at the Fair Market Value at the time the Option is exercised.

(c) *Other terms and conditions.* The Option shall become exercisable in such manner and within such period or periods ("Option Period"), not to exceed ten (10) years from its Date of Grant, and as otherwise set forth in the individual Stock Option Agreement to be entered into in connection therewith.

(d) *Expiration.* Each Option shall lapse in the following situations:

- (i) Ten (10) years after the Date of Grant;
- (ii) Three (3) months following a Normal Termination or the death of an employee or one (1) year following a director's resignation from the Board or death;
- (iii) Any earlier time set forth in the Stock Option Agreement;
- (iv) If the Holder terminates his relationship as an officer, employee, or director with Prime Meridian or the Bank otherwise than by Normal Termination, director resignation, or death or the Holder is terminated for Cause, the Option shall lapse at the time of termination.

(e) *Stock Option Agreement.* Each Option granted under the Plan shall be evidenced by a "Stock Option Agreement" between Prime Meridian and the Holder of the Option containing such provisions as may be determined by the Committee, but shall be subject to the following terms and conditions.

(i) Each Option or portion thereof that is exercisable shall be exercisable for the full amount or for any part thereof, except as otherwise determined by the terms of the individual Stock Option Agreement.

(ii) Each share of Common Stock purchased through the exercise of an Option shall be paid for in full at the time of the exercise. Each Option shall cease to be exercisable, as to any share of Common Stock, when the Holder purchases the share or exercises a related SAR, or when the Option lapses.

(iii) Options shall not be transferable by the Holder except by will or the laws of descent and distribution and shall be exercisable during the Holder's lifetime only by him or her.

(iv) Each Option shall become exercisable by the Holder in accordance with the vesting schedule (if any) established by the Committee for the Award.

(v) Each Stock Option Agreement may contain an agreement that, upon demand by the Committee for such a representation, the Holder shall deliver to the Committee at the time of any exercise of an Option a written representation that the shares to be acquired upon such exercise are to be acquired for investment and not for resale or with a view to the distribution thereof. Upon such demand, delivery of such representation prior to the delivery of any shares issued upon exercise of an Option shall be a condition precedent to the right of the Holder or such other person to purchase any shares. In the event certificates for Common Stock are delivered under the Plan with respect to which such investment representation has been obtained, the Committee may cause a legend or legends to be placed on such certificates to make appropriate reference to such representation and to restrict transfer in the absence of compliance with applicable federal or state securities laws.

(f) *Grants to 10% Holders of Company Voting Stock.* Notwithstanding Section 6(a) herein, if an Incentive Stock Option is granted to a Holder who owns Company stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or of Prime Meridian and the Bank, the period specified in the Stock Option Agreement for which the Option thereunder is granted and at the end of which such Option shall expire shall not exceed five (5) years from the Date of Grant of such Option and the Option Price shall be at least one hundred ten percent (110%) of the Fair Market Value (on the Date of Grant) of the Common Stock subject to the Option.

(g) *Limitation.* To the extent the aggregate Fair Market Value (as determined as of the Date of Grant) of Stock for which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company and the Bank) exceeds One Hundred Thousand Dollars (\$100,000), such excess Incentive Stock Options shall be treated as Non-qualified Stock Options.

(h) *Voluntary Surrender.* The Committee may permit the voluntary surrender of all or any portion of any Non-qualified Stock Option and its corresponding SAR, if any, granted under the Plan to be conditioned upon the granting to the Holder of a new Option for the same or a different number of shares as the Option surrendered or require such voluntary surrender as a condition precedent to a grant of a new Option to such Participant. Such new Option shall be exercisable at the Option Price, during the exercise period, and in accordance with any other terms or conditions specified by the Committee at the time the new Option is granted, all determined in accordance with the provisions of the Plan without regard to the Option Price, exercise period, or any other terms and conditions of the Non-qualified Stock Option surrendered.

(i) *Order of Exercise.* Options granted under the Plan may be exercised in any order, regardless of the Date of Grant or the existence of any other outstanding Option.

(j) *Notice of Disposition.* Participants shall give prompt notice to Prime Meridian of any disposition of Common Stock acquired upon exercise of an Incentive Stock Option if such disposition occurs within either two (2) years after the Date of Grant of such Option and/or one (1) year after the receipt of such Common Stock by the Holder.

7. Stock Appreciation Rights.

Any Option granted under the Plan may include a SAR, either at the time of grant or by amendment except that in the case of an Incentive Stock Option, such SAR shall be granted only at the time of grant of the related Option. The Committee may also award to Participants SARs independent of any Option. A SAR shall be subject to such terms and conditions not inconsistent with the Plan as the Committee shall impose, including, but not limited to, the following:

(a) *Vesting.* A SAR granted in connection with an Option shall become exercisable, be transferable and shall lapse according to the same vesting schedule, transferability and lapse rules that are established by the Committee for the Option. A SAR granted independent of an Option shall become exercisable, be transferable and shall lapse in accordance with a vesting schedule, transferability, and lapse rules established by the Committee.

(b) *Failure to Exercise.* If on the last day of the Option Period (or in the case of a SAR independent of an Option, the SAR period established by the Committee), the Fair Market value of the Stock exceeds the Option Price, the Holder has not exercised the Option or SAR, and neither the Option nor the SAR has lapsed, such SAR shall be deemed to have been exercised by the Holder on such last day and Prime Meridian shall make the appropriate payment therefor.

(c) *Payment.* The amount of additional compensation which may be received pursuant to the award of one SAR is the excess, if any, of the Fair Market Value of one share of Stock on the Appreciation Date over the Option Price, as defined in Section 7(a) herein, in the case of a SAR granted in connection with an Option, or the Fair Market Value of one (1) share of Stock on the Date of Grant, in the case of a SAR granted independent of an Option. The Company shall pay such excess in cash, in shares of Stock valued at Fair Market Value, or any combination thereof, as determined by the Committee. Fractional shares shall be settled in cash.

(d) *Designation of Appreciation Date.* A Participant may designate an Appreciation Date at such time or times as may be determined by the Committee at the time of grant by filing an irrevocable written notice with the Committee or its designee, specifying the number of SARs to which the Appreciation Date relates, and the date on which such SARs were awarded. Such time or times determined by the Committee may take into account any applicable "window periods" required by Rule 16b-3 under the Exchange Act.

(e) *Expiration.* Except as otherwise provided in the case of SARs granted in connection with Options, the SARs shall expire on a date designated by the Committee which is not later than ten (10) years after the date on which the SAR was awarded.

8. Performance Shares.

(a) *Award Grants.* The Committee is authorized to establish Performance Share programs to be effective over designated Measurement Periods of not less than one (1) year nor more than three (3) years. At the beginning of each Measurement Period, the Committee will establish in writing Performance Goals based upon financial or other objectives for the Company for such Measurement Period and a schedule relating the accomplishment of the Performance Goals to the Awards to be earned by Participants. Performance Goals may include absolute or relative growth in earnings per share or rate of return on shareholders' equity or other measurement of corporate performance and may be determined on an individual basis or by categories of Participants. The Committee may adjust Performance Goals or performance measurement standards as it deems equitable in recognition of extraordinary or non-recurring events experienced during a Measurement Period by the Company or the Bank. The Committee shall determine the number of Performance Share Units to be awarded, if any, to each Participant who is selected to receive an Award. The Committee may add new Participants to a Performance Share program after its commencement by making pro rata grants.

(b) *Determination of Award.* At the completion of a Performance Share program, or at other times as specified by the Committee, the Committee shall calculate the amount earned with respect to each Participant's award by multiplying the Fair Market Value on the Valuation Date by the number of Performance Share Units granted to the Participant and multiplying the amount so determined by a performance factor representing the degree of attainment of the Performance Goals.

(c) *Partial Awards.* A Participant for less than a full Measurement Period, whether by reason of commencement or termination of employment or otherwise, shall receive such portion of an Award, if any, for that Measurement Period as the Committee shall determine.

(d) *Payment of Non-deferred Awards.* The amount earned with respect to an Award shall be fully payable in shares of Common Stock based on the Fair Market Value on the Valuation Date; provided, however, that, at its discretion, the Committee may vary such form of payment as to any Participant upon the specific request of such Participant. Except as provided in subparagraph 8(e), payments of Awards shall be made as soon as practicable after the completion of a Measurement Period.

(e) *Deferral of Payment.* A Participant may file a written election with the Committee to defer the payment of any amount otherwise payable pursuant to subparagraph 8(d) on account of an Award to a period commencing at such future date as specified in the election. Such election must be filed with the Committee by the last day of the month which is two-thirds of the way through but in no event later than the last day of the month which is six-months before the end of the Measurement Period during which the Award is earned, unless the Committee specifies an earlier filing date.

(f) *Separate Accounts.* At the conclusion of each Measurement Period, the Committee shall cause a separate account to be maintained in the name of each Participant with respect to whom all or a portion of an Award of Performance Share Units earned under the Plan has been deferred. All amounts credited to such account shall be fully vested at all times.

(g) *Election of Form of Investment.* Within sixty (60) days from the end of each Award Period, and at such time or times, if any, as the Committee may permit, a Participant may file a written election with the Committee of the percentage of the deferred portion of any Award of Performance Share Units which is to be expressed in the form of dollars and credited with interest, the percentage of such Award which is to be expressed in the form of Phantom Stock Units and the percentage of such Award which is to be deemed invested in any other hypothetical investment equivalent from time to time made available under the Plan by the Committee. In the event a Participant fails to file an election within the time prescribed, one hundred percent (100%) of the deferred portion of such Participant's Award shall be expressed in the form of Phantom Stock Units.

(h) *Interest Portion.* The amount of interest credited with respect to the portion of an Award credited to the Participant's account which is deferred and credited with interest (the "Interest Portion") shall be equal to the amount such portion would have earned had it been credited with interest from the last day of the Measurement Period with respect to which the Award was made until the seventh (7th) business day preceding the date as of which payment is made, compounded annually, at the Company's rate of return on shareholders' equity for each fiscal year that payment is deferred, or at such other rate as the Committee may from time to time determine. The Committee may, in its sole discretion, credit interest on amounts payable prior to the date on which the Company's rate of return on shareholders' equity becomes ascertainable at the rate applicable to deferred amounts during the year immediately preceding the year of payment.

(i) *Phantom Stock Unit Portion.* With respect to the portion of an Award credited to the Participant's account which is deferred and expressed in the form of Phantom Stock Units (the "Phantom Stock Unit Portion"), the number of Phantom Stock Units so credited shall be equal to the result of dividing (i) the Phantom Stock Unit Portion by (ii) the Fair Market Value on the date the Measurement Period ended.

(j) *Dividend Equivalents.* Within thirty (30) days from the payment of a dividend by Prime Meridian on its Common Stock, the Phantom Stock Unit Portion of each Participant's account shall be credited with additional Phantom Stock Units the number of which shall be determined by (i) multiplying the dividend per share paid on the Company's Common Stock by the number of Phantom Stock Units credited to his or her account at the time such dividend was declared, then (ii) dividing such amount by the Fair Market Value on the payment date for such dividend.

(k) *Payment of Deferred Awards.* Payment with respect to amounts credited to the account of a Participant shall be made in a series of annual installments over a period of ten (10) years, or such other period as the Committee may direct, or as the Committee may allow the Participant to elect, in either case at the time of the original deferral election. Except as otherwise provided by the Committee, each installment shall be withdrawn proportionately from the Interest Portion and from the Phantom Stock Unit Portion of a Participant's account based on the percentage of the Participant's account which he originally elected to be credited with interest and with Phantom Stock Units, or, if a later election has been permitted by the Committee and is then in effect, based on the percentage specified in such later election. Payments shall commence on the date specified by the Participant in his deferral election, unless the Committee in its sole discretion, at the time of the original deferral election, determines that payment shall be made over a shorter period or in more frequent installments, or commence on an earlier date, or any or all of the above. If a Participant dies prior to the date on which payment with respect to all amounts credited to his account shall have been completed, payment with respect to such amounts shall be made to the Participant's estate in a series of annual installments over a period of five (5) years, unless the Committee in its sole discretion determines that payment shall be made over a shorter period or in more frequent installments, or both. To the extent practicable, each installment payable hereunder shall approximate that part of the amount then credited to the Participant's or his estate's account which, if multiplied by the number of installments remaining to be paid would be equal to the entire amount then credited to the Participant's account.

(l) *Composition of Payment.* The Committee shall cause all payments with respect to deferred Awards to be made in a manner such that not more than one-half of the value of each installment shall consist of Common Stock. To that end, payment with respect to the Interest Portion and the Phantom Stock Unit Portion of a Participant's account shall be paid in cash and Common Stock as the Committee shall determine in its sole discretion. The determination of any amount to be paid in cash for Phantom Stock Units shall be made by multiplying (i) the Fair Market Value of one share of Common Stock on the date as of which payment is made, by (ii) the number of Phantom Stock Units for which payment is being made. The determination of the number of shares of Common Stock, if any, to be distributed with respect to the Interest Portion of a Participant's account shall be made by dividing (i) one-half of the value of such portion on the date as of which payment is made, by (ii) the Fair Market Value of one (1) share of Common Stock on such date. Fractional shares shall be paid in cash.

(m) *Alternative Investment Equivalents.* If the Committee shall have permitted Participants to elect to have deferred Awards of Performance Share Units invested in one or more hypothetical investment equivalents other than interest or Phantom Stock Units, such deferred Awards shall be credited with hypothetical investment earnings at such rate, manner and time as the Committee shall determine. At the end of the deferral period, payment shall be made in respect of such hypothetical investment equivalents in such manner and at such time as the Committee shall determine.

(n) *Adjustment of Performance Goals.* The Committee may, during the Measurement Period, make such adjustments to Performance Goals as it may deem appropriate, to compensate for, or reflect, any significant changes that may have occurred during such Measurement Period in: (i) applicable accounting rules or principles or changes in the Company's method of accounting or in that of any other corporation whose performance is relevant to the determination of whether an Award has been earned; or (ii) tax laws or other laws or regulations that alter or affect the computation of the measures of Performance Goals used for the calculation of Awards.

9. Restricted Stock Awards and Phantom Stock Units.

(a) *Award of Restricted Stock and Phantom Stock Units.* The Committee shall have the authority: (1) to grant Restricted Stock and Phantom Stock Unit Awards; (2) to issue or transfer Restricted Stock to Participants; and (3) to establish terms, conditions, and restrictions applicable to such Restricted Stock and Phantom Stock Units, including the Restricted Period, that may differ with respect to each grantee, the time or times at which Restricted Stock or Phantom Stock Units shall be granted or become vested and the number of shares or units to be covered by each grant.

The Holder of a Restricted Stock Award shall execute and deliver to the Secretary of Prime Meridian an agreement with respect to Restricted Stock and escrow agreement satisfactory to the Committee and the appropriate blank stock powers with respect to the Restricted Stock covered by such agreements and shall pay to the Company, as the purchase price of the shares of Common Stock subject to such Award, the aggregate par value of such shares of Common Stock within sixty (60) days following the making of such Award. If a Participant shall fail to execute the agreement, escrow agreement and stock powers or shall fail to pay such purchase price within such period, the Award shall be null and void. Subject to the restrictions set forth in Section 9(b), the Holder shall generally have the rights and privileges of a shareholder as to such Restricted Stock, including the right to vote such Restricted Stock. At the discretion of the Committee, cash and stock dividends with respect to the Restricted Stock may be either currently paid or withheld by the Company for the Holder's account, and interest may be paid on the amount of cash dividends withheld at a rate and subject to such terms as determined by the Committee. Cash or stock dividends so withheld by the Committee shall not be subject to forfeiture.

In the case of a Restricted Stock Award, the Committee shall then cause stock certificates registered in the name of the Holder to be issued and deposited together with the stock powers with an escrow agent to be designated by the Committee. The Committee shall cause the escrow agent to issue to the Holder a receipt evidencing any stock certificate held by it registered in the name of the Holder.

In the case of a Phantom Stock Units Award, no shares of Stock shall be issued at the time the Award is made, and the Company will not be required to set aside a fund for the payment of any such Award. The Committee shall, in its sole discretion, determine whether to credit to the account of, or to currently pay to, each Holder of an Award of Phantom Stock Units an amount equal to the cash dividends paid by the Company upon one share of Stock for each Phantom Stock Unit then credited to such Holder's account ("Dividend Equivalents"). Dividend Equivalents credited to Holder's account shall be subject to forfeiture and may bear interest at a rate and subject to such terms as determined by the Committee.

(b) *Restrictions.* Restricted Stock awarded to a Participant shall be subject to the following restrictions until the expiration of the Restricted Period: (1) the Holder shall not be entitled to delivery of the stock certificate; (2) the shares shall be subject to the restrictions on transferability set forth in the grant; (3) the shares shall be subject to forfeiture to the extent provided in subparagraph (d) herein and, to the extent such shares are forfeited, the stock certificates shall be returned to the Company, and all rights of the Holder to such shares and as a shareholder shall terminate without further obligation on the part of the Company.

Phantom Stock Units awarded to any Participant shall be subject to the following restrictions until the expiration of the Restricted Period: (1) the units shall be subject to forfeiture to the extent provided in subparagraph (d) herein, and to the extent such units are forfeited, all rights of the Holder to such units shall terminate without further obligation on the part of the Company; and (2) any other restrictions which the Committee may determine in advance are necessary or appropriate.

The Committee shall have the authority to remove any or all of the restrictions on the Restricted Stock and Phantom Stock Units whenever it may determine that, by reason of changes in applicable laws or other changes in circumstances arising after the date of the Restricted Stock Award or Phantom Stock Award, such action is appropriate.

(c) *Restricted Period.* The Restricted Period of Restricted Stock and Phantom Stock Units shall commence on the Date of Grant and shall expire from time to time as to that part of the Restricted Stock and Phantom Stock Units indicated in a schedule established by the Committee with respect to the Award.

(d) *Forfeiture Provisions.* Except as may be otherwise authorized by the Committee and provided in an agreement memorializing a grant of Restricted Stock, with respect to Restricted Stock, in the event a Holder terminates employment or service as a director during a Restricted Period, that portion of the Award with respect to which restrictions have not expired (“Non-Vested Portion”) shall be treated as follows.

(i) For a resignation or discharge the Non-Vested Portion of the Award shall be completely forfeited.

(ii) For a Normal Termination the Non-Vested Portion of the Award shall be prorated for service during the Restricted Period and shall be received as soon as practicable following termination.

(iii) Upon a Participant’s death the Non-Vested Portion of the Award shall be prorated for service during the Restricted Period and paid to the Participant’s estate as soon as practicable following the Participant’s death.

(e) *Delivery of Restricted Stock and Settlement of Phantom Stock Units.* Upon the expiration of the Restricted Period with respect to any shares of Common Stock covered by a Restricted Stock Award, a stock certificate evidencing the shares of Restricted Stock which have not then been forfeited and with respect to which the Restricted Period has expired (to the nearest full share) shall be delivered without charge to the Holder, or his estate, free of all restrictions under the Plan.

Upon the expiration of the Restricted Period with respect to any Phantom Stock Units covered by a Phantom Stock Unit Award, Prime Meridian shall deliver to the Holder or his estate without any charge one share of Common Stock for each Phantom Stock Unit which has not then been forfeited and with respect to which the Restricted Period has expired (“vested unit”) and cash equal to any Dividend Equivalents credited with respect to each such vested unit and the interest thereon, if any; provided, however, that the Committee may, in its sole discretion, elect to pay cash or part cash and part Common Stock in lieu of delivering only Common Stock for vested units. If cash payment is made in lieu of delivering Common Stock, the amount of such payment shall be equal to the Fair Market Value for the date on which the Restricted Period lapsed with respect to such vested unit.

(f) *Payment for Restricted Stock.* Except as provided in subparagraph 9(a) herein, a Holder shall not be required to make any payment for Common Stock received pursuant to a Restricted Stock Award.

10. General.

(a) *Additional Provisions of an Award.* The award of any benefit under the Plan may also be subject to such other provisions (whether or not applicable to the benefit awarded to any other Participant) as the Committee determines appropriate including, without limitation, provisions to assist the Participant in financing the purchase of Common Stock through the exercise of Options, provisions for the forfeiture of or restrictions on resale or other disposition of shares acquired under any form of benefit, provisions giving the Company the right to repurchase shares acquired under any form of benefit in the event the Participant elects to dispose of such shares, and provisions to comply with federal and state securities laws and federal and state income tax withholding requirements.

(b) *Privileges of Stock Ownership.* Except as otherwise specifically provided in the Plan, no person shall be entitled to the privileges of stock ownership in respect of shares of Common Stock which are subject to Options or Restricted Stock Awards, Performance Share Unit Awards or Phantom Stock Unit Awards hereunder until such shares have been issued to that person upon exercise of an Option according to its terms, or upon sale or grant of those shares in accordance with a Restricted Stock Award, Performance Share Unit Award, or Phantom Stock Unit Award.

(c) *Government and Other Regulations.* The obligation of the Company to make payment of Awards in Common Stock or otherwise shall be subject to all applicable laws, rules, and regulations, and to such approvals by governmental agencies as may be required. The Company shall be under no obligation to register under the Securities Act any of the shares of Common Stock issued under the Plan. If the shares issued under the Plan may in certain circumstances be exempt from registration under the Securities Act, the Company may restrict the transfer of such shares in such manner as it deems advisable to ensure the availability of any such exemption.

(d) *Tax Withholding.* Notwithstanding any other provision of the Plan, Prime Meridian or the Bank, as appropriate, shall have the right to deduct from all Awards, to the extent paid in cash, all federal, state, or local taxes as required by law to be withheld with respect to such Awards and, in the case of Awards paid in Common Stock, the Holder or other person receiving such Common Stock may be required to pay to the Company or the Bank, as appropriate prior to delivery of such Common Stock, the amount of any such taxes that Prime Meridian or the Bank is required to withhold, if any, with respect to the Award of such Common Stock. Subject in particular cases to the disapproval of the Committee, the Company may accept shares of Common Stock of equivalent Fair Market Value in payment of such withholding tax obligations if the Holder of the Award elects to make payment in such manner at least six months prior to the date such tax obligation is determined.

(e) *Claim to Awards and Employment Rights.* No employee or other person shall have any claim or right to be granted an Award under the Plan nor, having been selected for the grant of an Award, to be selected for a grant of any other Award. Neither this Plan nor any action taken hereunder shall be construed as giving any Participant any right to be retained in the employ or service of Prime Meridian or the Bank.

(f) *Payments Upon Death of Participant.* Upon the death of a Participant in the Plan, Prime Meridian shall pay the amounts payable with respect to an Award of Performance Share Units, Phantom Share Units, or Restricted Stock, if any, due under the Plan to the Participant's estate.

(g) *Payments to Persons Other than Participants.* If the Committee shall find that any person to whom any amount is payable under the Plan is unable to care for his affairs because of illness or accident, or is a minor, or has died, then any payment due to such person or his estate (unless a prior claim therefor has been made by a duly appointed legal representative), may, if the Committee so directs the Company, be paid to his spouse, child, relative, an institution maintaining or having custody of such person, or any other person deemed by the Committee to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Committee and the Company therefore.

(h) *No Liability of Committee Members.* No member of the Committee shall be personally liable by reason of any contract or other instrument executed by such member or on his behalf in his or her capacity as a member of the Committee nor for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each member of the Board and each other employee, officer or director of Prime Meridian or the Bank to whom any duty or power relating to the administration or interpretation of the Plan may be allocated or delegated, against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or bad faith; provided, however, that approval of the Board shall be required for the payment of any amount in settlement of a claim against any such person. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under Prime Meridian's Articles of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

(i) *Governing Law.* The Plan will be administered in accordance with federal laws, or in the absence thereof, the laws of the State of Florida.

(j) *Funding*. No provision of the Plan shall require Prime Meridian, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company maintain separate bank accounts, books, records, or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Holders shall have no rights under the Plan other than as unsecured general creditors of the Company, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other employees under general law.

(k) *Non-transferability*. A person's rights and interest under the Plan, including amounts payable, may not be sold, assigned, donated, or transferred or otherwise disposed of, mortgaged, pledged, or encumbered except by will or the laws of descent and distribution.

(l) *Reliance on Reports*. Each member of the Committee shall be fully justified in relying, acting or failing to act, and shall not be liable for having so relied, acted or failed to act in good faith, upon any report made by the independent public accountant or attorney of Prime Meridian and the Bank and upon any other information furnished in connection with the Plan by any person or persons other than himself.

(m) *Relationship to Other Benefits*. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance or other benefit plan of Prime Meridian or the Bank except as otherwise specifically provided.

(n) *Expenses*. The expenses of administering the Plan shall be borne by Prime Meridian and the Bank.

(o) *Pronouns*. Masculine pronouns and other words of masculine gender shall refer to both men and women.

(p) *Titles and Headings*. The titles and headings of the sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings shall control.

11. Changes in Capital Structure.

Unless the Committee specifically determines otherwise, options, SARs, Restricted Stock Awards, Phantom Stock Unit Awards, Performance Share Unit Awards, and any agreements evidencing such Awards, and Performance Goals, shall be subject to adjustment or substitution as to the number, price, or kind of a share of Common Stock or other consideration subject to such Awards or as otherwise determined by the Committee to be equitable: (i) in the event of changes in the outstanding Common Stock or in the capital structure of the Company by reason of stock dividends, stock splits, recapitalizations, reorganizations, mergers, consolidations, combinations, exchanges, or other relevant changes in capitalization occurring after the Date of Grant of any such Award; or (ii) in the event of any change in applicable laws or any change in circumstances which results in or would result in any substantial dilution or enlargement of the rights granted to, or available for, Participants in the Plan, or which otherwise warrants equitable adjustment because it interferes with the intended operation of the Plan. In addition, unless the Committee specifically determines otherwise, in the event of any such adjustments or substitution, the aggregate number of shares of Common Stock available under the Plan shall be appropriately adjusted by the Committee, whose determination shall be conclusive. Any adjustment in Incentive Stock Options under this Section 11 shall be made only to the extent not constituting a "modification" within the meaning of Section 424(h)(3) of the Code, and any adjustments under this Section 11 shall be made in a manner which does not adversely affect the exemption provided pursuant to Rule 16b-3 under the Exchange Act. The Company shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

12. Effect of Change in Control.

(a) In the event of a Change in Control, notwithstanding any vesting schedule provided for hereunder or by the Committee with respect to an Award of Options, SARs, Phantom Stock Units, or Restricted Stock, such Option or SAR shall become immediately exercisable with respect to one hundred percent (100%) of the shares subject to such Option or SAR, and the Restricted Period shall expire immediately with respect to one hundred percent (100%) of the Phantom Stock Units or shares of Restricted Stock subject to Restrictions; provided, however, that to the extent that so accelerating the time an Incentive Stock Option may first be exercised would cause the limitation provided in Section 6(g) herein to be exceeded, such Options shall instead first become exercisable in so many of the next following years as is necessary to comply with such limitation.

(b) In the event of a Change in Control, all incomplete Measurement Periods in effect on the date the Change in Control occurs shall end on the date of such change, and the Committee shall: (i) determine the extent to which Performance Goals with respect to each such Measurement Period have been met based upon such audited or unaudited financial information then available as it deems relevant; (ii) cause to be paid to each Participant partial or full Awards with respect to Performance Goals for each such Measurement Period based upon the Committee's determination of the degree of attainment of Performance Goals; and (iii) cause all previously deferred Awards to be settled in full as soon as possible.

(c) The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation, or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company. The Company agrees that it will make appropriate provisions for the preservation of Participant's rights under the Plan in any agreement or plan which it may enter into or adopt to effect any such merger, consolidation, reorganization or transfer of assets.

13. Payment to Specified Employee.

Notwithstanding anything herein to the contrary, to the extent that the Participant is determined to be a specified employee as described in Section 409A(2)(B) of the Code, then payments to the Participant may not be made before the date that is six (6) months after the Participant's separation from service.

14. Non-exclusivity of the Plan.

Neither the adoption of this Plan by the Board nor the submission of this Plan to the shareholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under this Plan, and such arrangements may be either applicable generally or only in specific cases.

15. Amendments and Termination.

(a) The Committee may, without further action by the shareholders and without receiving further consideration from the Participants, amend this Plan or condition or modify awards under this Plan in response to changes in securities or other laws or rules, regulations or regulatory interpretations thereof applicable to this Plan, or to comply with applicable self-regulatory organization rules or requirements.

(b) The Committee may at any time and from time to time terminate or modify or amend the Plan in any respect, except that, without shareholder approval, the Committee may not materially amend the Plan, including, but not limited to, the following:

(i) materially increase the number of shares of Common Stock to be issued under the Plan (other than pursuant to Sections 11 and 15[a] of the Plan);

(ii) materially increase benefits to Participants, including any material change that permits a repricing (or decrease in exercise price) of outstanding Options, or reduces the price at which Options may be offered, or extends the duration of the Plan;

(iii) materially expand the class of participants eligible to participate in the Plan; and

(iv) expand the types of Options or other Awards provided under the Plan.

(c) The termination or any modification or amendment of the Plan, except as provided in subsection (a), shall not without the consent of a Participant, affect his or her rights under an award previously granted to him or her.

New Plan Benefits

The amount of awards payable under the 2025 Plan, if any, to any participant is not presently determinable as awards have not yet been determined. Participation in the 2025 Plan does not guarantee the payment of an award, and all awards under the 2025 Plan are discretionary and subject to approval by the Compensation Committee, as described above.

Required Vote

The 2025 Plan must be approved by a majority of the votes represented in person or by written proxy and voted at the Annual Meeting of Shareholders at which a quorum is present.