PREMIER FINANCIAL BANCORP INC
Form DEF 14A
April 25, 2017
SCHEDULE 14A
(Rule 14a–101)

INFORMATION REQUIRED IN A PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant
Filed by a party other than the Registrant

Check the appropriate box:
Preliminary Proxy Statement
Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

PREMIER FINANCIAL BANCORP, INC.
(Name of Registrant as Specified in Its Charter)

____

(Name of Person Filing Proxy Statement, if other than Registrant)

Payment of Filing Fee (Check the appropriate box):
No fee required
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(1) Title of each class of securities to which transaction applies:
(2) Aggregate number of securities to which transaction applies:
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
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(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date filed:

2883 5th Avenue
Huntington, West Virginia 25702

NOTICE OF
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD

JUNE 21, 2017

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Premier Financial Bancorp, Inc. will be held at the Pullman Plaza Hotel located at 1001 3rd Avenue, Huntington, West Virginia on Wednesday, June 21, 2017 at 10:30 a.m. (EDT) for the following purposes:

(1) To elect the nine (9) nominees named in the accompanying proxy statement as directors to serve until the 2018 Annual Meeting of Shareholders and until their successors are elected and qualified;

(2) To ratify the appointment of Crowe Horwath, LLP as the Company's independent accountants for the 2017 fiscal year;

(3) To consider and approve the Company's executive compensation in an advisory vote; and

(4) To transact such other business as may properly come before the meeting.

The Board of Directors has set the close of business on May 3, 2017 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting or any adjournment thereof. Only shareholders of record at the close of business on the record date will be entitled to notice of and to vote at the meeting.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on June 21, 2017. The 2017 Proxy Statement and the Annual Report to Shareholders for the year ended December 31, 2016 are also available at www.investorvote.com/PFBI.

EVEN IF YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE VOTE YOUR SHARES BY (1) COMPLETING, SIGNING AND DATING THE ENCLOSED PROXY AND RETURNING IT PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE, (2) A TOLL-FREE TELEPHONE CALL TO THE NUMBER LISTED ON THE PROXY CARD OR (3) USING THE INTERNET VOTING PROCEDURE DESCRIBED ON THE PROXY CARD. SHAREHOLDERS ATTENDING THE MEETING IN PERSON MAY VOTE IN PERSON THOUGH YOU HAVE PREVIOUSLY EXECUTED A PROXY.

By Order of the Board of Directors,
/s/ Toney K. Adkins
Toney K. Adkins
Secretary

Huntington, West Virginia
May 18, 2017

PREMIER FINANCIAL BANCORP, INC.
2883 5th Avenue
Huntington, West Virginia 25702

PROXY STATEMENT
FOR
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD

JUNE 21, 2017

INTRODUCTION

This Proxy Statement is being furnished to shareholders of Premier Financial Bancorp, Inc., a Kentucky corporation (the "Company" or “Premier”), in connection with the solicitation of proxies by the Board of Directors of the Company from holders of record of the Company's outstanding shares of common stock, no par value per share (the "Common Stock"), as of the close of business on May 3, 2017 for use at the Annual Meeting of Shareholders of the Company (the "Annual Meeting") to be held on Wednesday, June 21, 2017 at 10:30 a.m. (eastern daylight time) at the Pullman Plaza Hotel, 1001 3rd Avenue, Huntington West Virginia and at any adjournment or postponement thereof. The approximate mailing date of this Proxy Statement was May 18, 2017.

PURPOSES OF THE ANNUAL MEETING

At the Annual Meeting, holders of shares of Common Stock will be asked to consider and vote upon the following matters:

(1) The election of the nine (9) nominees named in this proxy statement as directors of the Company who will serve until the 2018 Annual Meeting and until their successors are elected and qualified;

(2) The ratification of the appointment of Crowe Horwath LLP as the Company's independent accountants for the fiscal year ending December 31, 2017;

(3) To consider and approve the Company’s executive compensation in an advisory vote; and

(4) The transaction of such other business as may properly come before the Annual Meeting.

The Board of Directors has unanimously recommended that shareholders vote "FOR" the election of the Board of Directors’ nine nominees for election as directors of the Company, "FOR" the ratification of the Audit Committee of the Board of Directors’ appointment of Crowe Horwath LLP as the Company's independent accountants, and “FOR” the approval of the advisory proposal on executive compensation. As of the date of this Proxy Statement, the Board of Directors knows of no other business to come before the Annual Meeting.

VOTING RIGHTS AND PROXY INFORMATION

Only holders of record of shares of Common Stock as of the close of business on May 3, 2017 (the "Record Date") will be entitled to notice of and to vote at the Annual Meeting or any adjournment or postponement thereof. Such holders of shares of Common Stock are entitled to one vote per share on any matter, other than the election of directors, which may properly come before the Annual Meeting. In the election of directors, holders of Common Stock have cumulative voting rights whereby each holder is entitled to vote the number of shares of Common Stock held multiplied by nine (the number of directors to be elected at the Annual Meeting), and each holder may cast the whole number of votes for one candidate or distribute such votes among two or more candidates. The presence, either in person or by properly executed proxy, of the holders of a majority of the outstanding shares of Common Stock as of the Record Date is necessary to constitute a quorum at the Annual Meeting. As of the Record Date it is anticipated that 10,657,699 shares of Common Stock will be outstanding.

Those nominees for election to the Board of Directors receiving the nine highest number of votes in the election of directors will be elected to the Board. The appointment of Crowe Horwath LLP as the Company's independent accountants for 2017 will be ratified if the votes cast in favor of ratification exceed the votes cast against ratification. The proposal on executive compensation will be approved in a non-binding advisory vote if the shares cast in favor exceed the votes cast against approval.

You can vote by (i) signing, dating and mailing the enclosed proxy card, (ii) by attending the annual meeting in person, or (iii) following the instructions on your notice for voting by telephone or on the internet.

All shares of Common Stock that are represented at the Annual Meeting by properly executed proxies received prior to or at the Annual Meeting and not revoked will be voted at the Annual Meeting in accordance with the instructions indicated in such proxies. If no instructions are indicated, such proxies will be voted FOR the election of the Board of Directors' nine nominees as directors of the Company (or, if deemed appropriate by the individuals appointed in the proxies, cumulatively voted for less than all of the Board's nominees to ensure the election of as many of the Board's nominees as possible), FOR the ratification of the appointment of Crowe Horwath LLP as the Company's independent accountants, and FOR approval of the proposal on executive compensation.

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted. Proxies may be revoked by (i) filing with the Secretary of the Company, at or before the Annual Meeting, a written notice of revocation bearing a later date than the proxy, (ii) duly executing a subsequent proxy relating to the same shares of Common Stock and delivering it to the Secretary of the Company at or before the Annual Meeting, (iii) attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not in and of itself constitute a revocation of a proxy), or (iv) entering a later dated telephone call or internet vote (if initially able to vote in that manner) so long as the vote or voting direction is received by 3:00 a.m. eastern daylight time on June 21, 2017. Any written notice revoking a proxy should be sent to the Company, to the attention of Toney K. Adkins, Secretary.

The Company will bear the cost of this solicitation. In addition to solicitation by mail, the Company will request banks, brokers and other custodian nominees and fiduciaries to supply proxy material to the beneficial owners of Common Stock, and will reimburse them for their expenses in so doing. Certain directors, officers and other employees of the Company, not specially employed for this purpose, may solicit proxies, without additional remuneration therefor, by personal meeting, mail, telephone, facsimile or other electronic means.

EFFECT OF NOT CASTING YOUR VOTE

If you hold your shares in street name, it is critical that you cast your vote if you want it to count in the election of directors (Item 1 of this proxy statement), and the advisory proposal on executive compensation (Item 3 of this proxy statement). In the past, if you held your shares in street name and you did not indicate how you wanted your shares voted in the election of directors or on executive compensation, your bank or broker was allowed to vote those shares on your behalf in the election of directors and on executive compensation as they felt appropriate.

Current regulations take away the ability of your bank or broker to vote your uninstructed shares in the election of directors and on executive compensation on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your bank or broker how to vote in the election of directors or on executive compensation no votes will be cast on your behalf. Your bank or broker will, however, continue to have discretion to vote any uninstructed shares on the ratification of the appointment of the Company’s independent registered public accounting firm (Item 2 of this proxy statement).

If you are a shareholder of record and you do not cast your vote, no votes will be cast on your behalf on any of the items of business at the annual meeting.

ANNUAL REPORT

The Company's 2016 Annual Report, which includes audited consolidated financial statements, accompanies this Proxy Statement. The Company will furnish without cost to any shareholder, upon request, a copy of the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission. Requests should be in writing and directed to the Company, to the attention of Brien M. Chase, Chief Financial Officer.

PRINCIPAL SHAREHOLDERS

As of March 21, 2017, the following individuals or entities reported beneficial ownership of Common Stock in excess of 5% of the Company's outstanding Common Stock:

NAME AND ADDRESS OF BENEFICIAL OWNER	NUMBER OF SHARES BENEFICIALLY OWNED(1)	PERCENTAGE OF OUTSTANDING SHARES
John Sheldon Clark (2) 505 Beachland Blvd PMB 320 Vero Beach, Florida 32963	942,249	8.8%
Marshall T. Reynolds P.O. Box 4040 Huntington, West Virginia 25729	904,609	8.5%

(1) The information contained in this column is based upon information furnished to the Company by the named individuals and the shareholder records of the Company. Except where otherwise indicated, this column represents the number of shares beneficially owned, which includes shares as to which a person has sole or shared voting and/or investment power.

(2) Mr. Clark reported direct ownership of 793,749 shares and reported another 148,500 shares in family trusts whereby Mr. Clark exercises discretionary control but is not a principal beneficiary of the trusts.

ELECTION OF DIRECTORS
(Item 1 on Proxy)

A board of nine directors of the Company is to be elected at the Annual Meeting, each of whom is to serve, subject to the provisions of the Company's bylaws, until the 2018 Annual Meeting of Shareholders and until his or her successor is duly elected and qualified. The names of the nominees proposed for election as directors, all of whom are presently directors of the Company, are set forth below and the following information is furnished with respect to each:

Nominee	Age	Principal Occupation or Employment[1]	Director of Company Continuously Since
Toney K. Adkins	67	Retired, President and Chief Operating Officer, Champion Industries, Inc. (commercial printing and office supplies). Prior to becoming President and Chief Operating Officer of Champion Industries in January 2005, Mr. Adkins served as its Vice President - Administration since 1996.	7/12/91

Mr. Adkins' long-term experience as President and Chief Operating Office of Champion Industries, Inc., a publicly traded company during his tenure, provides insight on operational issues and business management. Mr. Adkins is also a long-term director of one of the Company's subsidiaries, Citizens Deposit Bank & Trust, and provides direct oversight at the local level.

Philip E. Cline	84	Business Consultant, July 1999 to present; President, Alderson-Broaddus College – (Interim January 2011 to June 2011) and (Acting November 2010 to January 2011); President of River City Associates, Inc. and General Manager of Pullman Plaza Hotel (Formerly Radisson Hotel Huntington) from 2001 to May 2010; President and Chief Executive Officer, Broughton Foods Company from November 1996 to June 1999; Executive Vice Presi-dent (1995 to 1996), Vice President and Treasurer (1968 to 1995) of J. H. Fletcher & Co. (manufacturer of underground mining equipment); Director of Bank One West Virginia Corporation (formerly Key Centurion Bancshares, Inc.) from 1983 to 2000.	9/17/14

Mr. Cline's financial and managerial background and experience complements the Board's strategic planning and operations management. In addition, Mr. Cline's involvement as a member of the Marshall University Board of Governors and as a board member of the Huntington YMCA provide insight into the local business and educational climate. Mr. Cline also serves as a director of Premier Bank, providing direct oversight at the local level.

Harry M. Hatfield	69	Attorney-at-law, Hatfield & Hatfield since 1973	6/20/12

Mr. Hatfield's long experience as an attorney, including former Chairman of the West Virginia State Bar Foundation and former West Virginia University College of Law planning committee member, provides insight to local lending as well as familiarity with the legal aspects of business. Mr. Hatfield resides in the local community of one the Company's subsidiaries, Premier Bank. He has served as Chairman of the Board of Premier Bank (and its predecessor Boone County Bank) since its formation by the Company in 1998, providing direct oversight at the local level.

Lloyd G. Jackson II	63	President and CEO, Jackson Management Company (a natural gas production and operations management company)	6/20/12

Mr. Jackson's experience in the production of natural gas and operation of natural gas properties provides insight into one of West Virginia's primary industries as well as the Company's strategic and operational decisions. In addition, Mr. Jackson's past and present involvement as a West Virginia Senator and as a director or trustee of many of West

Virginia's prominent non-profit and education organizations such as the Claude Worthington Benedum Foundation, the West Virginia Board of Education, the Clay Center for the Arts and Sciences of West Virginia, West Virginia Wesleyan College, Vision Shared West Virginia and the Discover the Real West Virginia Foundation provide insight into the business and educational climate of the state. Mr. Jackson has served as a director of the Company's Premier Bank subsidiary (and its predecessor Boone County Bank) since its formation by the Company in 1998, providing direct oversight at the local level.

Nominee	Age	Principal Occupation or Employment[(1)]	Director of Company Continuously Since
Keith F. Molihan	74	Retired Executive Director, Ironton/Lawrence County Area Community Action Organization	9/14/99

Mr. Molihan's career in local community economic development provides insight on lending decisions as well as business management. As an extension of his economic development activities, Mr. Molihan helped to organize Ohio River Bank, headquartered in the Ironton, Ohio where he resides, and served as the bank's only Chairman of the Board. Ohio River Bank became a subsidiary of the Company in March 1998 and was merged into Citizens Deposit Bank & Trust in August 2012. Mr. Molihan now serves as a director of Citizens Deposit Bank & Trust, providing direct oversight at the local level.

Marshall T. Reynolds	80	Chairman and Chief Executive Officer, Champion Industries, Inc. Mr. Reynolds serves as the Company's Chairman of the Board. From 1985 to November 1993, Mr. Reynolds also served as Chairman of the Board of Directors of Bank One West Virginia, N.A. (and its predecessor, Key Centurion Bancshares, Inc.).	1/19/96

Mr. Reynolds is an entrepreneur in many industries in addition to the financial services industry. He owns stock in many banks both regionally and nationally. His banking experience as well as his other industry experience provide unique insight in setting the Board's agenda as well as lending decisions, business management and expansion strategies for the Company. Mr. Reynolds serves as a director of one of the Company's subsidiaries, Citizens Deposit Bank &Trust, providing direct oversight at the local level. Mr. Reynolds also served as a director of another of the Company's subsidiaries, Adams National Bank, until that bank was merged into Premier Bank on April 8, 2011.

Neal W. Scaggs	81	President, Baisden Brothers, Inc.	9/8/98

Mr. Scaggs is a retired entrepreneur in the retail auto parts industry. He has served and continues to serve on the Board of Directors of various publicly traded companies. His business acumen as well as his participation on the boards of other publicly traded companies provides insight on lending decisions and business management. Mr. Scaggs resides in the local community of one the Company's subsidiaries, Premier Bank, and served as a director of that bank through March 2011, providing direct oversight at the local level.

Robert W. Walker	70	President and Chief Executive Officer of the Company. Prior to becoming the President and Chief Executive Officer of the Company, Mr. Walker was President of Boone County Bank, Inc.(now Premier Bank) from September 1998 to October 2001. Prior to that, Mr. Walker was a regional president at Bank One West Virginia N.A.	10/17/01

Mr. Walker has a 30+ year banking career in West Virginia. He is a past Chairman of the West Virginia Bankers Association. He also serves as a director at each of the Company's subsidiary banks. His broad banking experience and leadership skills provide lending insight as well as management skills for the Company.

Thomas W. Wright	63	Owner and Chairman, NexQuest, Inc. (management company)	4/18/01

Mr. Wright is a business entrepreneur in many industries including restaurant ownership. He has also served as a director of other publicly traded companies. His business acumen as well as his participation on the boards of other publicly traded companies provides insight on staff management and business management.

(1) Except where otherwise indicated, this principal occupation or employment has continued during the past five years.

The Company’s Board of Directors recommends that shareholders vote "FOR" the election of each of the Company's nominees for election as a director.

The Board of Directors does not contemplate that any of the nominees will be unable to accept election as a director for any reason. However, in the event that one or more of such nominees is unable or unwilling to serve, the persons named in the proxies or their substitutes shall have authority, according to their judgment, to vote or to refrain from voting for other individuals as directors.

The Nominating Committee of the Board of Directors considers nominations of candidates for election as directors. The Company's bylaws establish an advance notice procedure for shareholders to make nominations of candidates for election as directors (the "Shareholder Notice Procedure"). The Shareholder Notice Procedure provides that only persons who are nominated by, or at the direction of, the Board of Directors, or by a shareholder who has given timely written notice to the Secretary of the Company prior to the meeting at which directors are to be elected, will be eligible for election as directors of the Company. Under the Shareholder Notice Procedure, to be timely, notice of shareholder nominations to be made at an annual or special meeting must be received by the Company not less than 14 days nor more than 50 days prior to the scheduled date of the meeting (or, if less than 21 days notice of the date of the meeting is given, the 7th day following the day such notice was given).

Under the Shareholder Notice Procedure, a shareholder's notice to the Company proposing to nominate a person for election as a director must contain certain information, including, without limitation, the identity and address of the nominating shareholder, the number of shares of Common Stock that are owned by such shareholder and the name and address of the proposed nominee. If the Chairman of the Board or other officer presiding at a meeting determines that a person was not nominated in accordance with the Shareholder Notice Procedure, such person will not be eligible for election as a director.

By requiring advance notice of nominations by shareholders, the Shareholder Notice Procedure affords the Nominating Committee of the Board of Directors an opportunity to consider the qualifications of the proposed nominees and, to the extent deemed necessary or desirable by the Nominating Committee, to inform shareholders about such qualifications.

CERTAIN INFORMATION CONCERNING THE BOARD OF DIRECTORS

Board Meetings and Committees

During 2016, the full Board of Directors met twelve times, the Compensation Committee met four times, the Information Technology Committee met four times, the Nominating Committee met once, and the Audit Committee met nine times. Each director attended seventy-five percent or more of all meetings of the Board of Directors and committees of the Board on which he serves. The Company strongly encourages all members of the Board of Directors to attend the annual meeting of shareholders each year. At the prior year's annual shareholder meeting all directors were in attendance except Director Molihan.

The Board of Directors consists of a majority of "independent directors" as such term is defined in the Nasdaq Stock Market Marketplace Rules. The Board of Directors has determined that Toney K. Adkins, Philip E. Cline, Harry M. Hatfield, Lloyd G. Jackson II, Keith F. Molihan, Neal W. Scaggs and Thomas W. Wright are independent directors. The independent directors met twice in executive session during 2016.

The Board does not have a policy regarding the separation of the roles of Chief Executive Officer and Chairman of the Board as the Board believes it is in the best interests of the Company to make that determination based on the position and direction of the Company and the membership of the Board. Currently, the Board has determined that separating the roles of Chairman and Chief Executive Officer is in the best interest of the Company’s shareholders at this time. This structure permits the Chief Executive Officer to focus on the management of the company’s day-to-day operations and ensures a greater role for the Chairman in setting agendas, establishing priorities, and fulfilling the Board’s roles and responsibilities on behalf of the shareholders.

The Board of Directors has adopted a formal policy by which shareholders may communicate with members of the Board of Directors by mail addressed to an individual member of the Board, to the full Board, or to a particular committee of the Board, at the following address: c/o Premier Financial Bancorp, Inc., 2883 5th Avenue, Huntington, West Virginia 25702.

The Board of Directors has four standing committees: a Compensation Committee, a Nominating Committee, an Information Technology (“IT”) Committee and an Audit Committee.

Board Role in Risk Oversight

The Company faces a variety of risks including credit risk, liquidity risk, operational risk and reputational risk. An effective risk management system will identify the material risks the Company faces in a timely manner, communicate necessary information to senior executives and the Board related to those material risks, implement appropriate and responsive strategies to manage those risks, and integrate the process of risk management into regular decision-making. The Board has designated the Audit Committee to take the lead in overseeing risk management as the Committee regularly reviews the Company’s internal audit reports, independent compliance audit reports, regulatory examination reports and financial information of the Company. In addition to the Audit Committee, the Board encourages management to promote a corporate culture that incorporates risk management into the Company’s strategies and day-to-day operations. Certain Directors are also members of some of the subsidiary banks’ local Board of Directors to independently assess firsthand the application of risk management processes at the subsidiary bank level.

Compensation of the Board of Directors

Directors who are not full time employees of the Company or any subsidiary receive fees of $1,000 a month for their services. Board members are also reimbursed for expenses incurred in connection with their services as directors. Directors receive no compensation for attending committee meetings.

Security Ownership by Directors and Officers

The following table sets forth certain information concerning ownership of Premier's Common Stock as of March 31, 2017 by (i) each of the directors, (ii) each nominee for director, (iii) each executive officer, and (iv) all directors and executive officers as a group. Except as otherwise noted, each beneficial owner listed below has sole voting and investment power with respect to the shares listed next to the owner's name.

Name of Beneficial Owner	Common Stock Beneficially Owned as of 3/31/2017(1)(2)	Exercisable Options to Acquire Additional Common Stock as of 3/31/2017(3)(4)	Percentage Of Outstanding Shares	
Toney K. Adkins, Director	7,910		*	
Philip E. Cline, Director	68,200		*	
Harry M. Hatfield, Director (5)	17,600		*	
Lloyd G. Jackson, II, Director	15,152		*	
Keith F. Molihan, Director	6,408		*	
Marshall T. Reynolds, Chairman of the Board (6)	904,609		8.5	%
Neal W. Scaggs, Director (7)	124,553		1.2	%
Robert W. Walker, Director & Chief Executive Officer (8)	97,148		*	
Thomas W. Wright, Director	49,835		*	
Brien M. Chase, Chief Financial Officer	21,249	18,212	*	
J. Mark Bias, Senior Vice President	110	1,100	*	
Michael R. Mineer, Senior Vice President	18,892	37,401	*	
Scot A. Kelley, Vice President, Credit Administration	10,975	3,006	*	
Katrina Whitt, Vice President, Human Resources	1,452	16,533	*	
All directors and executive officers as a group (14 in number)	1,344,093	76,252	13.3	%

* The percentage of outstanding shares beneficially owned is less than 1%.

(1) The information contained in this column is based upon information furnished to the Company by the named individuals and the shareholder records of the Company. Except where otherwise indicated, this column represents the number of shares beneficially owned, which includes shares as to which a person has sole or shared voting and/or investment power.

(2) On December 9, 2016, the Company paid a 10% stock dividend (1 share for every 10 shares owned on record date) to shareholders of record on December 2, 2016. Reported shares in this column include the additional shares issued to the aboved named officers and directors as a result of the dividend.

(3) Includes options that are exercisable or will become exercisable within 60 days of March 31, 2017

(4) On December 9, 2016, the Company paid a 10% stock dividend (1 share for every 10 shares owned on record date) to shareholders of record on December 2, 2016. Pursuant to the anti-dilution provisions of the stock option plans, the number of options awarded has been increased by 10% and the exercise price of the options awarded has been decreased by 10% to reflect the 10% stock dividend.

(5) Includes 13,750 shares joint voting and investment power shared with spouse.

(6) Includes 74,613 shares owned directly by spouse, with respect to which reporting person has no voting or investment power; 38,814 shares owned by controlled organizations, and 100,836 jointly held with spouse. The total reported shares inlude 569,969 shares pledged as collateral.

(7) Includes 27,831 shares owned by spouse, with respect to which reporting person has no voting or investment power.

(8) Includes 10,349 shares owned by spouse, with respect to which reporting person has no voting or investment power.

Other Directorships

The Company's Chairman of the Board, Marshall T. Reynolds, serves as a director of the following publicly held companies whose shares are registered under the Securities Exchange Act of 1934: First Guaranty Bancshares, Hammond, Louisiana, and Energy Services of America Corporation, Huntington, West Virginia. He also serves as a director of Champion Industries, Inc., Huntington, West Virginia, which until October 26, 2016 had a class of securities registered pursuant to the Securities Exchange Act of 1934. Directors Neal W. Scaggs and Keith F. Molihan also serve as directors of Energy Services of America Corporation. In addition, directors Philip E. Cline and Neal W. Scaggs serve as directors of Champion Industries, Inc.

Nominating Committee

The Nominating Committee nominates individuals to serve on the Company's Board of Directors, to serve on other committees of the Board of Directors, and to serve on the boards of directors of the Company's subsidiaries. The Nominating Committee currently consists of Messrs Scaggs, Molihan and Hatfield, all of whom are independent directors as defined in the Nasdaq Stock Market Marketplace Rules. A copy of the Nominating Committee charter was attached as Exhibit A to the 2016 annual meeting proxy statement.

The Company does not have a formal policy with regard to the consideration of diversity in identifying director nominees, but the Nominating Committee strives to nominate directors with a variety of complementary skills so that, as a group, the Board will possess the appropriate talent, skills and expertise to oversee the Company's business. When considering a potential director candidate, the Nominating Committee evaluates the entirety of each candidate's experience and qualifications. The Committee looks for personal and professional integrity, demonstrated ability and judgment and business experience. The Nominating Committee will review and consider director nominees recommended by shareholders. There are no differences in the manner in which the Nominating Committee evaluates director nominees based on whether the nominee is recommended by a shareholder.

Audit Committee

The Audit Committee meets with the Company's financial management, internal auditors and independent auditors and reviews the accounting principles and the scope and control of the Company's financial reporting practices. The Audit Committee makes reports and recommendations to the Board with respect to audit matters and oversees the internal audit function, reviews the internal audit reports, and provides direction for the resolution of internal audit findings and recommendations. The Audit Committee also recommends to the Board the appointment of the firm selected to be independent certified public accountants for the Company and monitors the performance of such firm; reviews and approves the scope of the annual audit and evaluates with the independent certified public accountants the Company's annual audit and annual consolidated financial statements; and reviews with management the status of internal accounting controls and internal audit procedures and results.

The Audit Committee consists of Messrs. Hatfield, Molihan, Scaggs, and Wright. The Audit Committee is required to have and will continue to have at least three members, all of whom must be "independent directors" as defined in the Marketplace Rules of the Nasdaq Stock Market.

The Board determined that Messrs. Hatfield, Molihan, Scaggs, and Wright are financially literate in the areas that are of concern to the Company, and are able to read and understand fundamental financial statements. The Board has also determined that Messrs. Hatfield, Molihan, Scaggs, and Wright each meet the independence requirements set forth in the Marketplace Rules of the Nasdaq Stock Market.

The Securities and Exchange Commission ("SEC") has adopted rules to implement certain requirements of the Sarbanes-Oxley Act of 2002 pertaining to public company audit committees. One of the rules adopted by the SEC requires a company to disclose whether it has an "audit committee financial expert" serving on its audit committee. Based on its review of the criteria of an audit committee financial expert under the rule adopted by the SEC, the Board of Directors does not believe that any member of the Board of Directors' Audit Committee could be described as an audit committee financial expert. The Board of Directors believes that the members of the Audit Committee are able to read and understand Premier's financial statements, are familiar with Premier and its business, and are capable of fulfilling the duties and responsibilities of an Audit Committee without the necessity of having an audit committee financial expert as a member.

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The Company's Board of Directors has adopted a written charter for the Audit Committee of the Board. A copy of the written Audit Committee charter was attached as Exhibit B to the 2016 annual meeting proxy statement.

Audit Committee Report

It is the responsibility of management to prepare the financial statements and the responsibility of Crowe Horwath LLP, the Company's independent auditors, to audit the financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States).

In connection with its review of the Company's financial statements for 2016, the Audit Committee:

- Has reviewed and discussed the audited financial statements with management;
- Has discussed with the independent auditors the matters required to be discussed by Auditing Standards No. 1301, as adopted by the Public Company Accounting Oversight Board; and
- Has received the written disclosures and the letter from the independent accountant required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communication with the audit committee concerning independence, and has discussed with the independent accountant the independent accountant's independence.

The Audit Committee also discussed with management and the independent auditors the quality and adequacy of the Company's internal controls and considered the internal audit function's organization, responsibilities, budget and staffing. The Committee reviewed with the independent auditors their audit plans, audit scope and identification of audit risks.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in Premier Financial Bancorp's Annual Report on Form 10-K for the year ended December 31, 2016.

Members of the Audit Committee:

/s/ Keith F. Molihan, Chairman
/s/ Neal W. Scaggs
/s/ Harry M. Hatfield
/s/ Thomas W. Wright

Compensation Committee

The Compensation Committee consists of Messrs. Wright, Scaggs and Molihan, all of whom are independent directors as defined in the Nasdaq Stock Market Marketplace Rules. The Committee reviews and determines salaries and other benefits for executive and senior management of the Company and its subsidiaries, reviews and determines the employees to whom stock options are to be granted and the terms of such grants, and reviews the selection of officers who participate in incentive and other compensation plans and arrangements. The Committee establishes the management compensation policy and the general compensation policies of the Company.

The Company's Board of Directors has adopted a written charter for the Compensation Committee of the Board. A copy of the written Compensation Committee charter was attached as Exhibit C to the 2016 annual meeting proxy statement. Please review the Company's Compensation Discussion and Analysis as well as the Compensation Committee Report below.

EXECUTIVE OFFICERS OF THE COMPANY

The individuals named in the following table are the executive officers of the Company under applicable SEC disclosure rules. Except as otherwise indicated, each executive officer has held the position indicated for the last five years.

Name	Age	Position
Robert W. Walker	70	President and Chief Executive Officer
Brien M. Chase	52	Senior Vice President and Chief Financial Officer (Principal Accounting Officer)
J. Mark Bias	59	Senior Vice President, Premier (President, Premier Bank, Inc.)
Michael R. Mineer	50	Senior Vice President, Premier (President, Citizens Deposit Bank & Trust)
Scot A. Kelley	60	Vice President, Credit Administration
Katrina Whitt	42	Vice President, Human Resources

Mr. Walker has held this position since October, 2001. From September, 1998 until October, 2001 Mr. Walker was President, Boone County Bank, Inc. Prior to that time, Mr. Walker was a Regional Vice President at Bank One, West Virginia, N.A. Mr. Walker also serves on the Company's asset/liability management committee and the Company's loan committee. Prior to September 15, 2015, Mr. Walker served as President and Chief Executive Officer of Premier Bank, Inc.

Mr. Chase began his duties as CFO of the Company in April, 2002. From June 1994 to January 2001, Mr. Chase was corporate accounting manager for One Valley Bancorp, Inc. He also served as controller for four of the One Valley Bancorp subsidiaries. Prior to that time, Mr. Chase was the senior accountant for One Valley Bancorp for six years. Mr. Chase also serves on the Company's asset/liability management committee, the Company's loan committee and is Executive Vice President and Chief Financial Officer of Premier Bank, Inc.

Mr. Bias was hired on September 15, 2015 as President and CEO of Premier Bank, Inc. A 33 year banking veteran, Mr. Bias began his banking career with PNC Financial Corporation in 1983, as an International Banking Officer. He joined One Valley Bank (now BB&T) in 1988 as a Senior Vice President in Commercial Banking. He rose to other senior leadership positions in Commercial Banking, serving as Market President, BB&T WV Central Region, from 2004 until his retirement from BB&T in August 2015. Mr. Bias also serves on the Company's asset/liability management committee and the Company's loan committee.

Mr. Mineer was appointed Senior Vice President of Premier on April 1, 2013 and currently manages the Company's product development and emerging technology implementation. Mr. Mineer joined Premier in October 2003 as President and CEO of Citizens Deposit Bank & Trust in Vanceburg, Kentucky. Prior to October 2003, Mr. Mineer was a District Manager for U.S. Bank in-charge of multiple branches in Northern Kentucky. Mr. Mineer also serves on the Company's asset/liability management committee and its loan committee.

Mr. Kelley began his duties in charge of Credit Administration in August, 2003. Prior to that time, Mr. Kelley served Bank One, West Virginia, N.A. in several capacities including Manager of Credit Analysis, Internal Auditor and Branch Manager from 1991 to 2003. Mr. Kelley was appointed as Vice President of the Company in March, 2008. While not a voting member, Mr. Kelley presides over the Company's loan committee. Mr. Kelley also serves as Executive Vice President and Chief Credit Officer of Premier Bank, Inc.

Ms. Whitt began her duties in charge of Human Resources in July, 2003. From October 1998 to July 2003, Ms. Whitt was Human Resources Generalist for Applied Card Systems. Ms. Whitt was appointed as Vice President of the Company in March, 2008. Ms. Whitt also serves as Vice President and Human Resources Officer of Premier Bank, Inc.

For additional information about Mr. Walker, see "ELECTION OF DIRECTORS."

EXECUTIVE COMPENSATION
COMPENSATION DISCUSSION AND ANALYSIS

Premier has identified five executives that meet the definition of a "named executive officer" to be discussed in the Compensation Discussion and Analysis: the Chief Executive Officer, Robert W. Walker; the Chief Financial Officer, Brien M. Chase; Senior Vice President, J. Mark Bias; Senior Vice President Michael R. Mineer, and Vice President, Scot A. Kelley. The following discussion details the Company's goals in how it compensates these named executive officers, analyzes how the elements in the Company's compensation programs meet these goals, discusses how the Company determines the actual amounts paid to the named executive officers and finally presents, in tabular form, the amounts of compensation paid to each named executive officer in 2016.

The objectives of Premier's compensation program are to attract and retain qualified individuals of high integrity, to motivate them to achieve the goals set forth in the Company's business plan; to link executive and stockholder interests through incentive-based compensation; and to enhance the Company's performance, measured by both short-term and long-term achievements. Premier believes these goals will provide consistent, long-term shareholder value as well as build a vibrant franchise that will attract locally well-known community bankers and customers.

To achieve these goals, Premier compensates its named executive officers using a base salary, a performance based annual bonus, and stock option awards. Premier believes the interests of the Company and its shareholders are served by this three-part approach. Under this approach the compensation of executive officers involves a part of their pay that is "at risk"--namely, the annual bonus and any stock option awards. The variable annual bonus permits individual performance to be recognized on an annual basis, and is based, in significant part, on the performance of the respective executive officer, whereas stock options typically only have value to the executive officer if there is a rise in Premier's stock price beyond the grant date.

To attract and retain qualified individuals of high integrity, Premier pays a competitive base salary to its executive officers and offers the option to participate in customary benefits such as medical insurance and a 401k retirement plan. Salaries are commensurate with an individual's experience; ability to lead, implement and achieve the Company's strategic goals; capability in enhancing the Company's performance in light of potentially adverse changes in banking regulation, interest rates, the local and/or national economy, and other factors beyond the influence of management; and the executive's level of integrity in dealing with customers, employees, shareholders and the directorship.

To reward the named executive officers Premier pays a discretionary annual bonus. The bonus rewards better than anticipated financial performance, such as asset growth, income enhancing strategies, expense reduction strategies, and non-performing asset resolution. The bonus also rewards other events such as successful regulatory examinations, the ability to recruit replacement management, quality financial disclosures and controls, strategic acquisitions or dispositions and other events the Company may consider from time-to-time. The annual bonuses are entirely discretionary at the direction of the Board of Directors via the Compensation Committee. They are not based on any formulaic quantification that would encourage the Company's named executive officers to choose one course of action over another. Rather, the bonuses are subjective in their determination based upon the Compensation Committee's determination, with the aid of the Chief Executive Officer, of the individual's performance toward achieving the Company's performance and improving overall shareholder value.

To reward long-term performance and enhancements to long-term shareholder value, Premier offers stock options to the named executive officers. Options are typically granted once a year, near the beginning of the year, in conjunction with a regularly scheduled board of directors meeting. Scheduling decisions are made without regard to anticipated earnings or other major announcements by the Company. As a matter of practice, Premier does not reprice stock options. To reward long-term performance, the options typically vest in three equal annual installments beginning on the grant date and have a maximum ten-year term. Premier believes the vesting schedule also provides incentive for the named executive officers to continue their employment with the Company.

The annual bonus, number of stock options and salary increase, if any, are determined annually. Premier uses surveys conducted by local state banking associations and other industry specific surveys to assess competitive marketplace compensation for its executive officers and uses ranges of compensation rather than specific targets. The named executive officers do not have employment, severance or change-of-control agreements. They serve at the will of the Board of Directors, which enables Premier to terminate their employment with discretion as to the terms of any severance arrangement.

For any annual bonus, the Chief Executive Officer reviews the estimated full year financial results with the Board of Directors and, if appropriate, an annual bonus pool is determined. Allocations from the pool are made to Premier's named executive officers. Premier does not use rigid incentive formulas to determine the annual bonus, as simple formulas may tend to improperly favor one aspect of financial performance to the detriment of others, while complex formulas provide no real focus or are inevitably adjusted for unforeseen events. A recommendation as to the bonus to be paid to each executive officer is based on an evaluation by the Chief Executive Officer of their individual performance for the prior year and their contribution toward Premier's performance as a whole. After reviewing the final full year results, the Compensation Committee, with input from the Chief Executive Officer with respect to the other named executive officers uses discretion in evaluating the individual award recommendations and determining the actual bonus amount to be awarded. Premier believes that the annual bonus rewards those high-performing individuals who drive the financial results and long-term performance of the Company.

Similar to the annual bonus, the number of stock options granted to individuals is determined, with input from the Chief Executive Officer, by the Compensation Committee. The number of stock options granted annually is modest so as to minimally affect diluted earnings per share either through the increase in the number of shares outstanding or through recorded stock compensation expense. Stock options are granted with an exercise price equal to the closing price on the grant date and therefore only have value to the optionee if there is a rise in Premier's stock price beyond the grant date. Premier believes it is the accumulation of options over time that provides the real incentive for the named executive officers to propel the Company's value to ever higher levels.

In arriving at its decision on 2016 executive compensation, the Compensation Committee took into account the affirmative shareholder "say on pay" vote at the previous annual meeting of shareholders and continued to apply the same principles in determining the amounts and types of executive compensation. The specific compensation amounts for each of Premier's named executive officers for 2016 reflect the continued strength and stability in the Company's financial performance. A more detailed analysis of Premier's 2016 financial results is contained in the Management Discussion and Analysis section contained in the annual report to shareholders and our Form 10-K filed with the Securities and Exchange Commission.

In determining the named executive officers' compensation for 2016, the Compensation Committee considered the Company's performance during 2015. Net income available to common shareholders remained consistent with the prior year totaling $12,446,000 in 2015 compared to $12,552,000 in 2014, as an increase in net operating costs, largely due to the full year inclusion of the operations of the Bank of Gassaway purchased in April 2014, was only partially offset by an increase in non-interest income and a decrease in the provision for loan losses. Net interest income decreased slightly in 2015 when comparted to 2014. In 2015, average earning assets increased by 3.0% or $34.0 million from 2014, while average interest-bearing liabilities, the primary source of funds supporting the earning assets, increased by 1.7%, or $13.8 million, in 2015 from 2014. Although there was an increase in average earning assets and an increase in average interest-bearing liabilities, net interest income in 2015 was less than 2014. The decrease was due to $6.7 million of deferred interest income and loan purchase discounts recognized upon the liquidation of non-performing loans in 2014, compared to $1.4 million recognized in 2015. The Company successfully negotiated the May 6, 2015 repurchase of the 700,016 share Common Stock Warrant issued to the U.S. Treasury ("Warrant") successfully concluding the Company's participation in the Troubled Asset Relief Program ("TARP") Capital Purchase Program. The purchase reduced shareholders' equity and regulatory capital by the $5,675,000 purchase price but also reduced the dilutive effect of potential additional common shares that would have been issued had the Warrant been exercised. The Company successfully negotiated a definitive merger agreement on July 5, 2015 with First National Bankshares Corporation, a $237 million single bank holding company headquartered in Ronceverte, West Virginia. Throughout the latter half of 2015, the Company sought and received First National Bankshares Corporation shareholder approval as well as regulatory approval to consummate the acquisition, which closed on

January 15, 2016. Book value per share increased by $0.08 and tangible book value per share increased by $0.19 in 2015, which includes the effect of the $0.63 decrease in book value per share related to the repurchase of the Warrant. Finally, non-performing assets decreased by $1.5 million, or 5.1% to $27.2 million or 2.19% of total assets.

Based upon an evaluation of his contributions toward achieving the Company's performance in 2015, the Compensation Committee, in lieu of an increase in Mr. Walker's annual salary, an annual cash bonus or stock option grants, granted Mr. Walker an annual bonus in the form of an immediate stock award of 7,700 shares of the Company's common stock on March 16, 2016. This award was based upon an evaluation of his contribution toward the Company's successful 2015 financial performance, his leadership in negotiating the Warrant repurchase, his leadership in negotiating the definitive agreement to acquire First National Bankshares Corporation, other events through their meeting date in March 2016, and his potential to improve long-term shareholder value. In addition to the compensatory benefit to Mr. Walker, the committee believed that a stock award would also align more of Mr. Walker's compensation to the long-term performance of the Company's stock, as well as provide an incentive for consistent annual financial performance to maintain the Company's attractive dividend yield. The 7,700 shares had an estimated value of $104,335 based upon the Company's closing stock price of $13.55 per share on the date of the stock award as adjusted for the 10% stock dividend paid on December 9, 2016. Additional information on Mr. Walker's 2016 compensation is detailed in the tables below.

Based upon an evaluation of his contributions toward achieving the Company's performance in 2015 as summarized above, his leadership in providing clear, concise and quality financial disclosures to the Board of Directors and shareholders through Premier's annual and quarterly reports and the proxy statement, and his potential to improve long-term shareholder value, the Compensation Committee granted Mr. Chase a salary increase to approximately $166,400 annually. Considering the specific accomplishments achieved by Premier in 2015 and Mr. Chase's integral part in the preparation of regulatory applications and pro forma financial statements leading to the successful approval and acquisition of First National Bankshares Corporation on January 15, 2016; his integral part in the preparation of regulatory applications leading to the successful approval to repurchase the Warrant; his continued participation and oversight in the operations of Premier Bank and its regulatory examinations, and Mr. Chase's continued participation in the integration of the Bank of Gassaway operations into Premier Bank, the Compensation Committee awarded Mr. Chase a $23,000 cash bonus which was paid in March 2016. As an incentive for Mr. Chase to further improve Premier's financial performance, evaluate the financial viability of future acquisitions and to reward him for long-term improvements in the stock's value, the Compensation Committee granted him 5,500 options to buy Premier stock at $13.55 per share (the closing price on the March 16, 2016 grant date as adjusted for the 10% stock dividend paid on December 9, 2016.) This grant increased Mr. Chase's total options to buy Premier stock to 73,150, some of which were exercised before the end of 2016. Additional information on Mr. Chase's 2016 compensation is detailed in the tables below.

Based upon an evaluation of his contributions toward achieving the Company's performance in 2015, his banking insight as President of Citizens Deposit Bank, adding $15.8 million of new deposit and customer repurchase agreement volume to the Company, opening a second branch in the Cincinati metro area of northern Kentucky, achieving a 2015 return on average assets of 1.00% for Citizens Deposit Bank, and achieving a past due ratio of 0.80% of total Citizens Deposit Bank loans at December 31, 2015; his leadership in reducing operating costs and improving customer convenience through technology, and his potential to improve long-term shareholder value, the Compensation Committee granted Mr. Mineer a salary increase to approximately $184,100 annually. Considering the specific accomplishments achieved by Premier and Citizens Deposit Bank in 2015, the Compensation Committee awarded Mr. Mineer a $16,000 cash bonus which was paid in March 2016. As an incentive for Mr. Mineer to further improve Premier's financial performance and to reward him for long-term improvements in the stock's value, the Compensation Committee granted him 5,500 options to buy Premier stock at $13.55 per share (the closing price on the March 16, 2016 grant date as adjusted for the 10% stock dividend paid on December 9, 2016.) This grant increased Mr. Mineer's total options to buy Premier stock to 58,190, some of which were exercised before the end of 2016. Additional information on Mr. Mineer's 2016 compensation is detailed in the tables below.

Mr. Bias began his employment with the Company on September 15, 2015 as senior vice president and as president and chief executive officer of Premier Bank, Inc. Mr. Bias' beginning annual salary was $190,000 and the amount reported for 2015 in the tables below reflect that salary based upon the period he was employed during 2015. The compensation committee also awarded Mr. Bias 110 shares of Company common stock to enable him to fufill his company ownership requirements as a director of Premier Bank under state law. At the time of his employment, the directors and employees of the company were in a standard "blackout" period and prohibited from purchasing Company stock. Based upon an evaluation of his contributions toward achieving the Company's performance in 2015, his banking insight as President of Premier Bank, Inc. including his leadership in developing loan production goals and decreasing past due and non-performing loans, and his potential to improve long-term shareholder value, the Compensation Committee granted Mr. Bias a salary increase to approximately $197,600 annually. Considering the specific accomplishments achieved by Premier and Premier Bank in 2015, the Compensation Committee awarded Mr. Bias a $7,500 cash bonus which was paid in March 2016. As an incentive for Mr. Bias to further improve Premier's financial performance and to reward him for long-term improvements in the stock's value, the Compensation Committee granted him 3,300 options to buy Premier stock at $13.55 per share (the closing price on the March 16, 2016 grant date as adjusted for the 10% stock dividend paid on December 9, 2016.) This grant was Mr. Bias' first grant resulting in total options to buy Premier stock of 3,300 at the end of 2016. Additional information on Mr. Bias' 2016 compensation is detailed in the tables below.

Based upon an evaluation of his contributions toward achieving the Company's performance in 2015, his leadership over the evaluation, underwriting and presentation of larger loans to the Premier loan committee, his direct supervision over the Company's lending policy and practices, his leadership during regulatory examinations regarding lending practices and credit quality, and his potential to improve long-term shareholder value by identifying and suggesting solutions to mitigate credit risk in the Company's larger loan relationships, the Compensation Committee granted Mr. Kelley a salary increase to approximately $97,450 annually. Considering the specific accomplishments achieved by Premier in 2015, his direct role in the credit administration function of Premier Bank, Inc. including presentation of larger loans during board meetings and facilitating external reviews of the loan portfolio by banking regulators and other third parties, his leadership in the pre-acqusition due diligence review of the First National Bankshares Corporation loan portfolio and his assistance in the continuing integration of the Bank of Gassaway locations into Premier Bank, Inc., the Compensation Committee awarded Mr. Kelley a $10,000 cash bonus which was paid in March 2016. As an incentive for Mr. Kelley to further improve the Company's financial performance and to reward him for long-term improvements in the stock's value, the Compensation Committee granted him 3,135 options to buy Premier stock at $13.55 per share (the closing price on the March 16, 2016 grant date as adjusted for the 10% stock dividend paid on December 9, 2016.) This grant increased Mr. Kelley's total options to buy Premier stock to 35,035, some of which were exercised before the end of 2016. Additional information on Mr. Kelley's 2016 compensation is detailed in the tables below.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis set forth above. Based on such review and discussions, the compensation committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and incorporated into Premier's Annual Report on Form 10-K for the year ended December 31, 2016 filed with the Securities and Exchange Commission.

How Compensation Plans Do Not Encourage Excessive Risk Taking

The compensation plans of the Company consist of three basic components, an annual salary, an annual bonus (awarded in common stock in the case of Mr. Walker), and grants of stock options. The annual bonus and the granting of stock options are entirely discretionary at the direction of the Board of Directors via the Compensation Committee. They are not based on any formulaic quantification that would encourage the Company's named executive officers or the officers of its subsidiaries to choose one course of action over another. Rather, the bonuses and the amount of stock options granted are subjective in their determination based upon the Compensation Committee's determination, with the aid of the Chief Executive Officer, of the individual's performance toward achieving the Company's performance and improving overall shareholder value. The annual bonus is relatively small in comparison to an employee's annual salary, thus discouraging the manipulation of reported earnings in order to achieve a substantial portion of the named executive officers' annual compensation. The Company believes that the risk of losing a named exectutive officer's entire salary in the event of termination is sufficient to deter the manipulation of reported earnings or the taking of excessive risks that would threaten the value of the Company.

Given (i) the long term incentive aspect of the base salary and stock option components of the Company's compensation plan, (ii) the absence of any specific incentive formula in the annual bonus component, and (iii) that the named executive officers do not have employment, severance or change-of-control agreements but serve at the will of the Board of Directors, the Company does not believe its compensation plans encourage SEOs or any other employees to take unnecessary and excessive risks, including behavior focused on short term rather than long term results and value creation, or encourage manipulation of reported earnings to enhance employee compensation.

Members of the Compensation Committee:

/s/ Thomas W. Wright, Chairman

/s/ Keith F. Molihan

/s/ Neal W. Scaggs

Summary Compensation Table

The following table summarizes compensation earned in each of the three years ended December 31, 2016 by the Company's named executive officers.

Name and principal position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards (1) ($)	All Other Compensation (2) (3) ($)	Total ($)
Robert W. Walker	2016	350,000	---	104,335	---	12,422	466,757
President and CEO	2015	350,000	---	103,040	---	12,280	465,320
	2014	350,000	---	85,200	---	23,450	458,650
J. Mark Bias	2016	197,600	7,500	---	3,498	23,213	231,811
Senior Vice President and	2015	51,150	---	1,499	---	6,109	58,758
President, Premier Bank, Inc.	2014	n/a	n/a	n/a	n/a	n/a	n/a
Brien M. Chase	2016	166,400	23,000	---	5,830	8,671	203,901
Senior Vice President	2015	151,000	25,000	---	6,850	8,135	190,985
and CFO	2014	136,000	23,000	---	18,700	7,456	185,156
Michael R. Mineer	2016	184,100	16,000	---	5,830	13,787	219,717
Senior Vice President and	2015	174,500	16,000	---	6,850	13,060	210,410
President, Citizens Deposit Bank	2014	165,000	16,000	---	18,700	13,220	212,920
Scot A. Kelley	2016	97,450	10,000	---	3,323	5,516	116,289
Vice President -	2015	93,700	10,000	---	3,905	5,366	112,971
Credit Administration	2014	88,400	8,500	---	9,350	5,095	111,345

(1) The amounts reported in this column represent the number of options granted times the grant date fair value of stock options granted to each of the named executive officers in accordance with FASB Topic 718. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. More information about stock compensation expense, including the assumptions used in the calculation of the fair value, is included in footnote 15 to our audited financial statements for the fiscal year ended December 31, 2016 included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission. These amounts reflect the Company's accounting expense for these awards and do not necessarily correspond to the actual value that may be ultimately recognized by the named executive officers.

(2) The Company provides automobiles to Mr. Walker, Mr. Bias and Mr. Mineer due to their extensive travel for business purposes. The Company's expense for providing the vehicle for the executive's personal use along with all other perquisites does not exceed $10,000 and therefore is not included in this table.

(3) All other compensation consists of the Company's matching contributions to the executive's 401k plan account and amounts paid by the Company for the executive's participation in the Company’s benefit programs. The amounts presented for Mr. Walker include $12,000, $12,000 and $11,667 of matching contributions to his 401k plan account for 2016, 2015 and 2014, respectively. For Mr. Bias, the amounts include $8,215 and $0 of matching contributions to his 401k plan account for 2016 and 2015, respectively. For Mr. Mineer, the amounts include $8,040, $7,657, and $7.277 of matching contributions to his 401k plan account for 2016, 2015 and 2014, respectively.

Grants of Plan Based Awards in Fiscal Year 2016

The following table provides information about options granted to the named executive officers in 2016.

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)
Robert W. Walker	Mar-16-2016	7,700	---	13.55	104,335
J. Mark Bias	Mar-16-2016	n/a	3,300	13.55	3,498
Brien M. Chase	Mar-16-2016	n/a	5,500	13.55	5,830
Michael R. Mineer	Mar-16-2016	n/a	5,500	13.55	5,830
Scot A. Kelley	Mar-16-2016	n/a	3,135	13.55	3,323

(1) Options awarded in 2016 vest in three equal annual installments beginning on March 16, 2017. The exercise price of the options awarded in 2016 was the closing price on March 16, 2016, the date of grant (see footnote 2 below). The $1.06 per share grant date fair value of each option awarded was determined in accordance with FASB Topic 718 as more fully described in footnote 15 to Premier's December 31, 2016 Financial Statements.

(2) On December 9, 2016, the Company paid a 10% stock dividend (1 share for every 10 shares owned on record date) to shareholders of record on December 2, 2016. Pursuant to the anti-dilution provisions of the stock option plans, the original number of shares of stock and options awarded has been increased by 10% and the exercise price of the options awarded has been decreased by 10% to reflect the 10% stock dividend.

Option Exercises and Stock Vested in Fiscal Year 2016

The following table provides information about options exercised by the named executive officers in 2016.

Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Brien M. Chase	4,890	23,478	n/a	n/a
Scot A. Kelley	8,247	29,868	n/a	n/a

Outstanding Equity Awards at 2016 Fiscal Year-End

The following table provides information on the current holdings of stock options by the named executive officers. This table includes unexercised and unvested option awards. Each option grant is shown separately for each named executive officer.

	Option Awards				
Name	Number of Securities Underlying Options (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price	Option Expiration
	Exercisable	Unexercisable	(#)	($)	Date
Robert W. Walker	None	None	n/a		
J. Mark Bias	0	3,300	n/a	13.5454	Mar-16-2026
Brien M. Chase	0	5,500	n/a	13.5454	Mar-16-2026
	1,834	3,666	n/a	13.3818	Mar-18-2025
	3,667	1,833	n/a	13.1182	Mar-19-2024
	5,500	0	n/a	10.3545	Mar-20-2023
	5,500	0	n/a	11.7454	Feb-20-2018
Michael R. Mineer	0	5,500	n/a	13.5454	Mar-16-2026
	1,834	3,666	n/a	13.3818	Mar-18-2025
	3,667	1,833	n/a	13.1182	Mar-19-2024
	5,500	0	n/a	10.3545	Mar-20-2023
	8,800	0	n/a	6.7909	Mar-21-2022
	8,800	0	n/a	6.3182	Mar-16-2021
	3,300	0	n/a	8.0909	Mar-17-2020
Scot A. Kelley	0	3,135	n/a	13.5454	Mar-16-2026
	0	2,090	n/a	13.3818	Mar-18-2025
	916	0	n/a	13.1182	Mar-19-2024

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(1) On December 9, 2016, the Company paid a 10% stock dividend (1 share for every 10 shares owned on record date) to shareholders of record on December 2, 2016. Pursuant to the anti-dilution provisions of the stock option plans, the original number of options awarded has been increased by 10% and the original exercise price of the options awarded has been decreased by 10% to reflect the 10% stock dividend.

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Director Compensation
The following table summarizes compensation earned in 2016 by the Company's directors.

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
Toney K. Adkins	12,000	n/a	n/a	12,000
Philip E. Cline	12,000	n/a	n/a	12,000
Harry M. Hatfield	12,000	n/a	n/a	12,000
Lloyd G. Jackson II	12,000	n/a	n/a	12,000
Keith F. Molihan	12,000	n/a	n/a	12,000
Marshall T. Reynolds	12,000	n/a	n/a	12,000
Neal W. Scaggs	12,000	n/a	n/a	12,000
Robert W. Walker	(1)	n/a	n/a	0
Thomas W. Wright	12,000	n/a	n/a	12,000

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(1) In accordance with Company policy, as an employee of the Company, Mr. Walker does not receive any director compensation.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During 2016, the Company's subsidiary banks have had, and expect to have in the future to the extent permitted by applicable federal and state banking laws, lending transactions with certain of the directors and officers of the Company and its subsidiaries and their affiliates and associates. The transactions, which at times involved loans in excess of $120,000, were in the ordinary course of business, were made on substantially the same terms, including interest rates, collateral and repayment terms, as those prevailing at the time for comparable transactions with persons not related to the Company or its subsidiaries, and did not involve more than the normal risk of collectability or present other unfavorable features. The Company's subsidiary banks are subject to federal laws and regulations governing loans to officers and directors. In addition, the Company’s banking subsidiaries have engaged, and in the future may engage, in transactions with such persons and their affiliates and associates as a depositary of funds, transfer agent, registrar, fiduciary and provider of other similar services.

The Company has adopted a policy to conduct an appropriate review of all related party transactions on an ongoing basis, pursuant to which all material or related transactions with any director, officer or employee or other person or entity with which such director, officer, or employee is affiliated must be on terms no less favorable to the corporation than those that are generally available from unaffiliated third parties and must be approved and ratified by the audit committee by majority vote of its members who do not have an interest in the transaction.

During the years ended December 31, 2016, 2015, and 2014, the Company or its subsidiaries have paid approximately $448,000, $441,000, and $543,000, respectively, for commercial printing services, statement rendering services and office supplies and furniture to Champion Industries, Inc., Huntington, West Virginia, of which the Company's Chairman of the Board, Marshall T. Reynolds, is Chief Executive Officer and a principal shareholder and the Company’s directors Philip E. Cline and Neal W. Scaggs are directors.

The Company or its subsidiaries paid The Harrah and Reynolds Corporation, a corporation controlled by Marshall T. Reynolds, approximately $1,969,000 n 2014 to permit employees of the Company and its subsidiaries to participate in a medical benefit plan sponsored and administered by The Harrah and Reynolds Corporation. Participation in the medical benefit plan was terminated in 2014 and the Company now purchases employee medical insurance through a third-party vendor.

The Company leases its headquarters facility at 2883 Fifth Avenue, Huntington, West Virginia from River City Properties, LLC, an entity 20.0% owned by Chairman of the Board of Directors Marshall T. Reynolds and 20.0% owned by Director Phillip E. Cline. The lease, for 5,900 square feet, had a 5 year term commencing in September 2002 and has been subsequently renewed for additional five year terms ending in September 2017, with annual rent of $8.50 per square foot the first year and thereafter inflation adjusted. The Company believes that the terms of this lease, which were approved by the Board of Directors, are no less favorable to the Company than those available from unrelated third parties. Annual lease payments totaled approximately $52,000, $52,000 and $52,000 in 2016, 2015 and 2014, respectively.

On August 26, 2015, the Company executed and delivered to First Guaranty Bank of Hammond, Louisiana (“First Guaranty”) a Promissory Note and Business Loan Agreement dated August 26, 2015 for the principal amount of $12,000,000 bearing interest at a fixed rate of 4.00% per annum and requiring 59 monthly principal payments of $143,000 plus accrued interest and one final principal and interest payment of $3,575,000 due on August 26, 2020. The Promissory Note is secured by the pledge of 25% of Premier’s interest in Premier Bank, Inc. (a wholly owned subsidiary) under a Commercial Pledge Agreement dated August 26, 2015. The proceeds of this note were used to refinance a $4,500,000 balance plus accrued interest due under Premier’s previous Promissory Note to First Guaranty; pay off the remaining $5,400,000 balance plus accrued interest due to The Bankers’ Bank of Kentucky, Inc. of Frankfort, Kentucky (“Bankers’ Bank”) under a Term Note dated September 8, 2010; and pay the remaining $2,000,000 balance plus accrued interest due on Premier’s $5,000,000 Line of Credit with Bankers’ Bank. The sum of the disbursements totaled $11,946,000 and the final $54,000 on the Term Note was not borrowed. At the time of origination, Premier’s chairman owned approximately 23.8% of the voting stock of First Guaranty Bancshares, parent company for First Guaranty. However, Premier’s board of directors, the chairman abstaining, and audit committee determined prior to its vote to authorize the company to enter into the loan transaction that the terms of the financing, including the interest rate and collateral, were no less favorable than those which could be obtained from other financial institutions. The outstanding principal balance on the borrowing at December 31, 2016 was $8,600,000.

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On August 12, 2016 the Company executed and delivered to First Guaranty a Change in Terms Agreement modifying its Promissory Note and Business Loan Agreement dated June 30, 2012 that established a Line of Credit with the bank extending the right to request and receive monies from First Guaranty on the line of credit until June 30, 2019. The Change in Terms Agreement maintained the principal amount of $3,000,000 bearing interest floating daily at the "Wall Street Journal" prime rate (currently 4.00%), with a floor of 4.50% through the modified June 30, 2019 maturity date. Under the terms of the Promissory Note, the Company may request and receive advances from First Guaranty from time to time. Accrued interest on any amounts outstanding is payable monthly, and any amounts outstanding are payable on demand or at maturity. The Promissory Note is also secured by the pledge of 25% of Premier's interest in Premier Bank (a wholly owned subsidiary) under a Commercial Pledge Agreement modified on June 30, 2012. At December 31, 2016, the Company had no outstanding debt on this line of credit from First Guaranty Bank.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based upon a review of filings with the SEC and representations that no other reports were required, the Company believes that all of the Company's directors and executive officers complied during fiscal 2016 with the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934 except that Chairman Marshall T. Reynolds filed one report 35 days late with respect to the reporting of his shares owned in First National Bankshares Corporation that were converted to shares of the Company upon its acquisition of First National Bankshares Corporation on January 15, 2016 and excutive officer Scot A. Kelley filed one report 2 days late with respect to one transaction on March 21, 2016.

INDEPENDENT PUBLIC ACCOUNTANTS
(Item 2 on Proxy)
At its meeting held on April 19, 2017, the Audit Committee appointed Crowe Horwath LLP to serve as the Company's independent public accountants and auditors for the fiscal year ending December 31, 2017. Crowe Horwath LLP has served as the Company's independent public accountants and auditors since the 1995 fiscal year.
Representatives of Crowe Horwath LLP are expected to be present at the annual meeting and will be available to respond to appropriate questions and will have the opportunity to make a statement if they desire to do so.
Audit Fees
Audit fees and expenses billed to the Company by Crowe Horwath LLP for the audit of the Company's financial statements for the fiscal years ended December 31, 2016 and December 31, 2015, and for review of the Company's financial statements included in the Company's quarterly reports on Form 10-Q, are as follows:

Fiscal 2016	Fiscal 2015
$306,000	$ 276,750

Audit Related Fees
Audit related fees and expenses billed to the Company by Crowe Horwath LLP for years 2016 and 2015 for services related to the performance of the audit or review of the Company's financial statements that were not included under the heading "Audit Fees", are as follows:

Fiscal 2016	Fiscal 2015
$ 0	$ 0

Tax Fees
Tax fees and expenses billed to the Company by Crowe Horwath LLP for fiscal years 2016 and 2015 for services related to tax compliance, tax advice and tax planning, consisting primarily of preparing the Company's federal and state income tax returns for the previous fiscal periods and inclusive of expenses are as follows

Fiscal 2016	Fiscal 2015
$ 60,370	$ 55,730

All Other Fees
Fees and expenses billed to the Company by Crowe Horwath LLP for all other services provided during fiscal years 2016 and 2015 are as follows:

Fiscal 2016	Fiscal 2015
$ 0	$ 8,068

In 2004, the Audit Committee established a policy whereby the independent auditor is required to seek pre-approval by the Committee of all audit and permitted non-audit services by providing a prior description of the services to be performed and specific estimates for each such service.
The Audit Committee approved all of the services performed by Crowe Horwath LLP during 2016.

The Audit Committee of the Board of Directors has considered whether the provision of non-audit services described above is compatible with maintaining the independent accountant’s independence.
The Company’s Board of Directors recommends that shareholders vote "FOR" ratification of the appointment of Crowe Horwath LLP as the Company's independent accountants for the 2017 fiscal year.
The appointment of Crowe Horwath LLP will be deemed ratified if votes cast in favor of the proposal exceed votes cast against it. Abstentions will not be counted as votes cast either for or against the proposal.

ADVISORY (NON-BINDING) VOTE ON EXECUTIVE COMPENSATION
(Item 3 on Proxy)
As described above in the “Compensation Discussion and Analysis” section beginning on page 12 and in the compensation tables beginning on page 17 of this proxy statement, the Company’s compensation programs are designed to:
- attract and retain qualified individuals of high integrity;
- motivate them to achieve the goals set forth in the Company’s business plan
- link executive and stockholder interests through incentive-based compensation
- enhance the Company’s performance, measured by both short-term and long-term achievements, and
- discourage excessive risk taking on the part of named executive officers.

We believe that our compensation policies and procedures are competitive, are focused on pay for performance principles and are strongly aligned with the long-term interests of our shareholders. We also believe that both the Company and shareholders benefit from responsive corporate governance policies and constructive and consistent dialogue. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”) we are submitting a proposal allowing our shareholders to cast an advisory vote on our compensation program at the annual meeting of shareholders. This proposal, commonly known as a “Say-on-Pay” proposal, gives you, as a shareholder of Premier Financial Bancorp, Inc., an opportunity to endorse or not endorse the compensation we pay to our named executive officers through the following resolution:
“RESOLVED, that the shareholders of Premier Financial Bancorp, Inc. approve the compensation of its executive officers included in the Summary Compensation Table in this Proxy Statement, as described in the Compensation Discussion and Analysis and the tabular disclosure regarding the compensation of the named executive officers (together with the accompanying narrative disclosure) contained in this Proxy Statement.”
Your vote is advisory and will not be binding upon our Board of Directors. However, the Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements. We believe that both the Company and its shareholders benefit from maintaining a constructive dialogue with its shareholders. This proposal is only one part of our corporate governance program and practices that maintain this dialogue with our shareholders and our commitment to the creation of long-term shareholder value.
The Company’s Board of Directors recommends that shareholders vote "FOR" the resolution to approve the compensation of named executive officers employed by the Company as described in the Compensation Discussion and Analysis and accompanying tables beginning on page 12.
The Company’s executive compensation disclosed in this proxy statement will be approved if votes cast in its favor of the proposal exceed votes cast against it. Abstentions will not be counted as votes cast either for or against the proposal.

At the 2016 annual meeting of shareholders, we provided our shareholders with the opportunity to cast an advisory vote on the compensation of our named executive officers as disclosed in the proxy statement for the 2016 annual meeting, and our shareholders approved the proposal, with more than 96% of the votes cast in favor.

CODE OF ETHICS

The Board of Directors adopted a Code of Business Conduct and Ethics on November 19, 2003 that applies to all of the Company's officers, directors and employees and a Code of Ethics for the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Chief Accounting Officer which supplements our Code of Business Conduct and Ethics (collectively the "Codes") which are intended to promote honest and ethical conduct, full and accurate reporting and compliance with laws. We have filed copies of the Codes with the SEC as an exhibit to our December 31, 2003 annual report on Form 10-K.

SHAREHOLDER PROPOSALS

Any shareholder proposal intended to be presented at the 2018 Annual Meeting of Shareholders must be received by the Company by January 17, 2018 in order to be considered for inclusion in the Proxy Statement for the 2018 Annual Meeting of Shareholders. In addition, the proxy solicited by the Board of Directors for the next annual meeting of shareholders will confer discretionary authority to vote on any shareholder proposal presented at the meeting, unless the Company is provided with notice of such proposal no later than April 3, 2018. However, even if notice is timely received, the proxies may nevertheless be entitled to exercise discretionary authority on the matter to the extent permitted by Securities and Exchange Commission regulations.

OTHER MATTERS

The only matters to be considered at the meeting or any adjournment thereof, so far as known to the Board of Directors, are those set forth in the Notice of Annual Meeting of Shareholders and routine matters incident to the conduct of the meeting. However, if any other matters should properly come before the meeting or any adjournment thereof, the Board of Directors intends that the persons named in the accompanying proxy form, or their substitutes, will vote the shares represented by such proxy form in accordance with their best judgment on such matters.

By Order of the Board of Directors,

/s/ Toney K. Adkins
Toney K. Adkins
Secretary

Huntington, West Virginia
May 18, 2017

IMPORTANT ANNUAL MEETING INFORMATION

Electronic Voting Instructions
Available 24 hours a day, 7 days a week!
Instead of mailing your proxy, you may choose one of the voting
methods outlined below to vote your proxy.
VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.
Proxies submitted by the Internet or telephone must be received by
3:00 a.m., EDT, on June 21, 2017.

Vote by Internet
• Go to www.investorvote.com/PFBI
• Or scan the QR code with your smartphone
• Follow the steps outlined on the secure website

Vote by telephone
• Call toll free 1-800-652-VOTE (8683) within the USA, US territories &
Canada on a touch tone telephone
• Follow the instructions provided by the recorded message

Using a black ink pen, mark your votes with an Xas shown in this example. Please do not write outside the designated areas.

Annual Meeting Proxy Card

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH A

A Proposals — THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ALL OF THE NOMINEES LISTED IN ITEM 1, A VOTE "FOR" ITEM 2, AND A VOTE "FOR" ITEM 3.

1. Election of Directors:	For	Withhold		For	Withhold		For	Withhold
01 - Toney K. Adkins	.. ..		02 - Philip E. Cline	.. ..		03 - Harry M. Hatfield	.. ..	
04 - Lloyd G. Jackson II	.. ..		05 - Keith F. Molihan	.. ..		06 - Marshall T. Reynolds	.. ..	
07 - Neal W. Scaggs	.. ..		08 - Robert W. Walker	.. ..		09 - Thomas W. Wright	.. ..	

For For

	Against Abstain		Against Abstain
2. RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS. To ratify the appointment of Crowe Horwath, LLP as the Company's independent auditors for the fiscal year ending December 31, 2017.	.. .. ..	3. ADVISORY (Non-Binding) PROPOSAL ON EXECUTIVE COMPENSATION. To consider and approve the Company's executive compensation in an advisory vote.	.. .. ..

4. OTHER BUSINESS. To transact such other matters as may properly be brought before the Annual Meeting or any adjournment thereof. (The Board of Directors does not know of any such other matters).

B Non-Voting Items

Change of Address — Please print new address below.

C Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below

Please sign exactly as your name(s) appear(s) on your stock certificate(s). When signing as attorney, executor, administrator, trustee or guardian, please give full title. If more than one trustee, all should sign. All joint owners must sign.

Date (mm/dd/yyyy) — Please print date below.	Signature 1 — Please keep signature within the box.	Signature 2 — Please keep signature within the box.

Annual Meeting Materials are available on-line at:
http://www.edocumentview.com/PFBI

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH A

REVOCABLE PROXY — PREMIER FINANCIAL BANCORP, INC.

ANNUAL MEETING OF SHAREHOLDERS
June 21, 2017
10:30 a.m. local time
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

KNOW ALL MEN BY THESE PRESENTS, the undersigned shareholder of PREMIER FINANCIAL BANCORP, INC. (“Company”), Huntington, West Virginia, does hereby nominate, constitute and appoint TONEY K. ADKINS and KEITH F. MOLIHAN or either of them (with full power to act alone), my true and lawful attorney(s) and proxy(ies) with full power of substitution, for me and in my name, place and stead, to vote all of the Common Stock of the Company standing in my name on its books at the close of business on May 3, 2017, at the Annual Meeting of Shareholders to be held at the Pullman Plaza Hotel, 1001 3rd Avenue, Huntington, West Virginia, on June 21, 2017, at 10:30 a.m. (eastern daylight time), and at any adjournment thereof, with all the powers the undersigned would possess if personally present as follows:

This proxy is solicited by the Board of Directors and will be voted as specified and in accordance with the accompanying proxy statement. If no instruction is indicated, then the above named proxies, or any one of them, will vote the shares represented “FOR” all of the nominees listed in Item #1, “FOR” Item #2, “FOR” Item #3 and in accordance with their discretion on any other business that may properly come before the meeting.

Information regarding the matters to be acted upon at the meeting is contained in the Notice of Annual Meeting of Shareholders and the Proxy Statement accompanying this proxy.

PLEASE COMPLETE, DATE, SIGN, AND MAIL THIS PROXY CARD PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE OR PROVIDE YOUR INSTRUCTIONS TO VOTE VIA THE INTERNET OR BY TELEPHONE.

(Continued, and to be marked, dated and signed, on the other side)