



March 10, 2026

Dear Shareholders:

You are cordially invited to attend the Annual Meeting of the Shareholders of Highlands Bankshares, Inc. on Tuesday, May 12, 2026, at 5:15 p.m., at the Landes Arts Center, 18 Mountain View Street, Petersburg, West Virginia. A reception will be held at 5:15 p.m. Dinner will be provided at 6:00 p.m. with the shareholders meeting to follow.

Enclosed in this mailing you will find formal notice of the meeting, a proxy and a proxy statement detailing the matters upon which the Shareholders will act at the Annual Meeting. Our Company's Annual Report for 2025 is also enclosed.

We urge you to complete, date and sign the proxy and return it as soon as possible in the enclosed postage prepaid envelope, or you may vote by telephone or online. Online and telephone instructions are printed on the proxy card. You may revoke your proxy at any time prior to its exercise.

Sincerely,

Jack H. Walters
Chairman of the Board

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To the Shareholders of Highlands Bankshares, Inc.

The annual meeting of Shareholders of Highlands Bankshares, Inc. will be held on Tuesday, May 12, 2026, at 6:00 p.m.

1. Election of four Class A Directors to serve until the annual meeting of Shareholders in 2029.
2. Ratification of the appointment of S. R. Snodgrass, P.C. as independent registered certified public accountants for 2026.
3. Transaction of other business as may properly come before the meeting, or any adjournments thereof.

The Board of Directors recommends a vote in favor of the nominees for Director and a vote in favor of the ratification of the appointment of the independent registered certified public accountants. Only Shareholders of record at the close of business on March 10, 2026, are entitled to notice of and to vote at the annual meeting or any adjournments thereof.

To assure that your shares are represented at the annual meeting, please complete, date and sign the enclosed proxy, and return it as soon as possible in the enclosed postage prepaid envelope or by telephone or by voting online. You may revoke your proxy at any time prior to its exercise.

By Order of the Board of Directors

A handwritten signature in purple ink, appearing to read "Michael A. McDonald", is written over a faint, larger version of the same signature.

Michael A. McDonald
Corporate Secretary

March 10, 2026

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HIGHLANDS BANKSHARES, INC.
P.O. Box 929 * Petersburg WV 26847 * (304) 257-4111

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation of proxies for use at the annual meeting of Shareholders of Highlands Bankshares, Inc. (“Highlands” or the “Company”) to be held on Tuesday, May 12, 2026, at 6:00 p.m., and at any adjournments thereof (“Annual Meeting”). The accompanying proxy is solicited by the Board of Directors of the Company (the “Board”). The principal executive offices of the Company are located at 3 North Main Street, Petersburg, West Virginia 26847. The approximate mailing date of the proxy statement and the accompanying proxy is March 31, 2026.

The Company will bear the cost of soliciting proxies and will only make solicitations by the use of the mail, except that, if necessary, officers, Directors and other employees of the Company, or its affiliates, may solicit proxies by telephone or by personal visit. The Company may request brokerage houses and nominees to forward proxy solicitation material to the beneficial owners of the stock held of record by such persons, and the Company may reimburse them for their charges and expenses in doing so.

All properly executed proxies delivered pursuant to this solicitation will be voted at the Annual Meeting in accordance with any instructions thereon. A Shareholder executing a proxy may revoke it at any time before it is voted by:

- Notifying Highlands in person,
- Giving written notice to Highlands of the revocation of the proxy,
- Submitting to Highlands a subsequently dated proxy, or
- Attending the meeting and withdrawing the proxy before it is voted at the meeting.

OUTSTANDING SHARES AND VOTING RIGHTS

Only Shareholders of record at the close of business on March 10, 2026, will be entitled to vote at the Annual Meeting. As of that date, the Company had outstanding 1,319,600 shares of its common stock, \$5 par value, each of which is entitled to one vote at the Annual Meeting. Cumulative voting rights are available, in certain instances, for the election of Directors, as further described in this proxy statement.

Any number of Shareholders holding together a majority of the stock outstanding, who are either present virtually or represented by proxy at the Annual Meeting, shall constitute a quorum. If a share is represented for any purpose at the Annual Meeting, it is deemed to be present for purposes of establishing a quorum. Abstentions and shares held of record by a broker or its nominee, which are voted on any matter, are included in determining the number of votes present or represented at the Annual Meeting. Conversely, broker shares that are not voted on any matter will not be included in determining whether a quorum is present.

If a quorum is established, Directors will be elected by a plurality of the votes cast by Shareholders attending virtually or by proxy at the Annual Meeting. As required by West Virginia law, each share is entitled to one vote per nominee, unless a Shareholder requests cumulative voting at least 48 hours before the meeting. Ratification of the appointment of the independent public accountants will be approved if the votes cast in favor exceed the votes cast opposing. Votes that are withheld and broker shares that are not voted will not be included in determining the number of votes cast.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the name, position, and the number and percentage of shares of common stock held as of March 10, 2026, by each of the Company's Directors, Director nominees, Highlands' executive officers and the total shares by amount and percentage as a group. To the best of the Company's knowledge, no person is the beneficial owner of more than 5% of the Company's common stock.

Name	Position with Company	Amount Beneficially Owned	Percent of Class
Jack H. Walters	Director; Chairman	14,024	1.1%
Donald J. Baker, Jr.	Director; Vice Chairman	6,000	*
George L. Ford	Director; Treasurer	2,983	*
Michael A. McDonald	Director; Secretary	3,154	*
John D. Athey	Director	9,923	1%
Dr. Cheryl L. Bennett	Director	100	*
Dr. Morris M. Homan, Jr.	Director	2,370	*
John Paul Hott, II	Director	672	*
John Mitchell Orndorff	Director	16,210	1.2%
James R. Pyles	Director	3,213	*
All of the Directors, Director nominees and executive officers of the Company, as a group		58,649	4.47%

An asterisk denotes less than 1% of class.

Further notes regarding ownership are on the following page.

NOTES TO SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Mr. Walters' beneficial ownership includes 11,024 shares owned directly, 1,000 shares owned jointly with his wife, and 2,000 shares held by his wife over which he holds no voting or dispositive powers. Mr. Walters disclaims beneficial ownership of the shares held by his wife.

Mr. Baker's beneficial ownership includes 100 shares owned directly and 5,900 shares owned jointly with his wife.

Mr. Ford's beneficial ownership includes 300 shares owned directly and 480 shares owned jointly with his wife and 2,203 shares held in Mr. Ford's behalf through the Company's Employee Stock Ownership Program.

Mr. McDonald's ownership includes 415 shares owned directly, beneficial ownership includes 760 shares owned jointly with his wife, and 1,979 shares held in Mr. McDonald's behalf through the Company's Employee Stock Ownership Program.

Mr. Athey's beneficial ownership includes 9,923 shares owned directly.

Dr. Bennett's beneficial ownership includes 100 shares owned directly.

Dr. Homan's beneficial ownership includes 2,370 shares owned directly.

Mr. Hott's beneficial ownership includes 672 shares owned directly.

Mr. Orndorff's beneficial ownership includes 100 shares owned directly and 16,110 shares owned jointly with his wife and other family members.

Mr. Pyles' beneficial ownership includes 3,177 shares owned directly and 36 shares owned jointly with his wife.

PROPOSAL ONE

ELECTION OF DIRECTORS

General

Highlands Articles of Incorporation currently provide for a classified board of Directors. There are three classes. Each class is elected for a three-year term. There are presently 10 Directors on the Board, four of whom are nominees for election at the 2026 Annual Meeting.

Directors are elected by a plurality of the shares voted. As required by West Virginia law, each share is entitled to one vote per nominee, unless a Shareholder requests cumulative voting for Directors at least 48 hours before the meeting. If a Shareholder properly requests cumulative voting for Directors, then each Shareholder will have the right to vote the number of shares owned by that Shareholder for as many persons as there are Directors to be elected, or to cumulate such shares and give one candidate as many votes as the number of Directors multiplied by the number of shares owned shall equal, or to distribute them on the same principle among as many candidates as the Shareholder sees fit. If any shares are voted cumulatively for the election of Directors, the proxies, unless otherwise directed, shall have full discretion and authority to cumulate their votes and vote for less than all such nominees. For all other purposes, each share is entitled to one vote.

Leadership

Currently, the roles of non-executive Chairman of the Board and CEO of the Company are combined. The Board and executive management have agreed that due to the Board and management oversight at the subsidiary level the combination of the Chairman and CEO is economically beneficial at this time. The Board retains the right to exercise its judgment to combine or separate the roles of Chairman of the Board and CEO. The Company believes that the Chairman of the Board, Mr. Jack H. Walters, has significant leadership experience, including executive experience in both business and banking, that positions him well to lead the Board.

Nominations

Highlands does not have a separate nominating committee and the entire board of Directors serves this function. The reason the board has determined not to have a formal Nominating Committee is that Highlands' Board is small and vacancies are rare. The board of Directors makes nominations based upon its belief that candidates for Director should have certain minimum qualifications as defined by West Virginia State banking law. The Board of Directors of Highlands, in addition to adherence to state and federal banking laws, has set forth the following as criteria for the Company's Directors:

The board of Directors of Highlands makes nominations based upon its belief that candidates for Director should have certain minimum qualifications. These qualifications include the following:

- *Directors should be of the highest ethical character.*
- *Directors should have excellent personal and professional reputations in Highlands' market area.*
- *Directors should be accomplished in their professions or careers.*
- *Directors should be able to read and understand financial statements and either have knowledge of, or the ability and willingness to learn, financial institution law.*
- *Directors should have relevant experience and expertise to evaluate financial data and provide direction and advice to the chief executive officer and the ability to exercise sound business judgment.*
- *Directors must be willing and able to expend the time to attend meetings of the Board of Directors of Highlands and Highlands' subsidiary banks and to serve on board committees.*
- *The Board of Directors will consider whether a nominee is independent, as legally defined. In addition, Directors should avoid the appearance of any conflict and should be independent of any particular constituency and be able to serve all Shareholders of Highlands.*
- *Because the Directors of Highlands also may serve as Directors of either or both of the subsidiary banks, a majority of Directors must be residents of West Virginia, as required by state banking law.*
- *Directors must be acceptable to Highlands and the subsidiary banks' regulatory agencies, including the Federal Deposit Insurance Corporation, the Federal Reserve, and the West Virginia Division of*

Financial Institutions and must not be under any legal disability which prevents them from serving on the Board of Directors or participating in the affairs of a financial institution.

- *Directors must own or acquire sufficient capital stock to satisfy the requirements of West Virginia law and the bylaws of each of the subsidiary banks.*
- *Directors must be at least 21 years of age.*

The Board of Directors of Highlands, reserves the right to modify these minimum qualifications from time to time, except where the qualifications are required by the laws relating to financial institutions.

The process of the Board of Directors for identifying and evaluating nominees is as follows. In the case of incumbent Directors whose terms are set to expire, the Board of Directors shall consider the Directors' overall service to Highlands during their term, including such factors as the number of meetings attended, the level of participation, quality of performance and any transactions between such Directors and Highlands, and the subsidiary banks. The Board of Directors also reviews the payment history of loans, if any, made to such Directors by either subsidiary bank to ensure that the Directors are not chronically delinquent and in default. The Board also considers whether any transactions between the Directors and either Bank have been criticized by any banking regulatory agency or either subsidiary bank's external auditors and whether corrective action, if required, has been taken and was sufficient. The Board of Directors also confirms that such Directors remain eligible to serve on the Board of Directors of a financial institution under federal and state law.

Pursuant to the Company's Amended and Restated Bylaws, a Shareholder may nominate persons for election to the Board of Directors and the Board will consider nominees recommended by Shareholders, if written notice is submitted to the Company's secretary at the principal executive offices of the Company not less than 90 days prior to the date of the meeting, or if less than 100 days' advance notice is given for the meeting, then within ten days after the notice or public announcement of the meeting.

INFORMATION CONCERNING DIRECTORS AND NOMINEES

The following information, including the principal occupation during the past five years, is given with respect to the three management Director nominees and the seven Directors continuing in office.

Name	Position with the Company	Age	Director Since	Principal Occupation During the Last Five Years
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MANAGEMENT DIRECTOR NOMINEES

Class A Directors to serve until the 2029 Annual Meeting of Shareholders

Dr. Morris M. Homan Jr.	Director	73	May 2008	Retired, Veterinarian
Michael A. McDonald	Director; Secretary	57	May 2020	President & CEO Capon Valley Bank
John Paul Hott, II	Director	56	May 2020	Self-Employed Insurance Agent & Business Owner
John D. Athey	Director	45	September 2022	Attorney at Law

The Board of Directors recommends that Shareholders vote “FOR” all of the nominees shown above.

DIRECTORS CONTINUING IN OFFICE

Class C Directors to serve until the 2028 Annual Meeting of Shareholders

Jack H. Walters	Director; Chairman	78	July 1987	Attorney at Law Partner, Walters, Heishman & Vance, PLLC
George L. Ford	Director; Treasurer	56	January 2011	President & CEO The Grant County Bank
John Mitchell Orndorff	Director	72	May 2016	Self-Employed Printing Business Principal of a Real Estate Business

Class B Directors to serve until the 2027 Annual Meeting of Shareholders

Donald J. Baker Jr.	Director	76	May 2012	Retired Insurance Agent, Former Agency Owner
Dr. Cheryl L. Bennett	Director	50	May 2023	Optometrist, Business Owner
James R. Pyles	Director	78	May 2015	Self-Employed Funeral Director McKee Funeral Home

Qualifications of Directors and Management Nominees.

Each Director and management Director nominee bring a strong and unique background and set of skills to the Board, providing the Board as a whole competence and experience in a wide variety of areas. Set forth below is additional information regarding the specific experience and skills of each continuing Director and management Director nominee that are relevant to their service as a Highlands Director.

Jack H. Walters Partner, Walters, Heishman & Vance, PLLC, Attorneys at Law. Highlands board member since July 1987 and Capon Valley Bank board member since 1983. Mr. Walters received his bachelor's degree from the University of Charleston in 1969 and his Law Degree from West Virginia University College of Law in 1972. After receiving his degree, he began practicing law in Moorefield, West Virginia, with the firm of See & Walters. In 2015, Mr. Walters established the law firm of Walters & Heishman, PLLC. His firm practices civil litigation, corporate, partnership, real estate, and family law, which gives the board yet another diverse perspective on the discussion and decisions it faces. For many years, Mr. Walters served as a Board Member of the Potomac Highlands Guild, which is a comprehensive behavioral health center. Additionally, he served for many years as the Chairperson of the Zoning Commission of Hardy County, West Virginia, as well as President of the South Branch Valley Bar Association.

Donald J. Baker, Jr. Retired Insurance Agent. Mr. Baker has been a member of The Grant County Bank board of Directors since 2002 and became Chairman of the board in 2015. After receiving a Bachelor of Science degree from West Virginia University in 1971, Mr. Baker taught high school social studies for six years. In 1977, Mr. Baker became Executive Director of the Hardy County Rural Development Authority serving until 1983 when he became Executive Director of the West Virginia Rail Authority until 1993. Mr. Baker began his career as an insurance agent and in 1997 established Baker Insurance Services. He sold the agency in January 2015 and semi-retired. He also currently serves as chairman of the board of Directors for the Mutual Protective Association, a mutual insurance company headquartered in Moorefield, Hardy County, WV. Mr. Baker has always been very active in his community. He was one of the original board members and first president of the Hardy County Chamber of Commerce. He is also active in the Moorefield Lions Club, and the Peru Community Association. He is an active member of the Moorefield Presbyterian Church having served as an elder, trustee, deacon, and Sunday school teacher. Mr. Baker's experience in business and community service adds insight and perspective to the board.

George L. Ford. President and Chief Executive Officer of The Grant County Bank since January 15, 2011. Mr. Ford graduated in 1991 with a bachelor's degree from West Virginia University. He was employed for five years with the United States Department of Agriculture, Farmers Home Administration and joined The Grant County Bank as a Collections Officer in 1996. He was promoted to Vice President in 2006 and to Executive Vice President in February 2010. Mr. Ford serves on the Boards of the Grant County Library Commission, Grant Memorial Hospital, Corridor H Authority, and the Valley View Golf Association. He is also a past Chairman and current Board member of the West Virginia Bankers Association. With thirty-five years of experience in the financial services industry coupled with his commitment to the community, Mr. Ford brings an experienced perspective to the organization.

Michael A. McDonald. President of Capon Valley bank since 2021 and Chief Executive Officer since 2019. Mr. McDonald is a 1986 graduate of East Hardy High School and a 1990 graduate of Marshall University. He also is a graduate of the West Virginia School of Banking and the Graduate School of Banking at Louisiana State University. Michael is a native of Wardensville, WV and has worked for Capon Valley Bank since 1995. After two years as a loan officer in the Moorefield office, McDonald was the first branch manager of the Baker office, which opened in 1997. In 2001, McDonald moved to the Wardensville office as a loan officer and later was Assistant Vice President for loans. Prior to his current position, Mr. McDonald served as Executive Vice President for ten years. Mr. McDonald serves on the West Virginia Bankers Association Board, the East Hardy Scholarship Committee and the Hardy County Community Foundation board. Thirty-one years of banking experience provides a solid financial background to allow Mr. McDonald to be a valuable member of the board of Directors.

John D. Athey, Attorney at Law. Mr. Athey has been a Highlands board member since September 2022 and a Grant County Bank board member since February 2019. A native and resident of Mineral County, West Virginia, he is a graduate of Keyser High School and Potomac State College. He then attended West Virginia University, where he earned his bachelor's degree (summa cum laude) in 2001 and his Doctor of Jurisprudence degree in 2004. In law school, he was a published editor of the West Virginia Law Review and was inducted into the Order of the Coif. Mr. Athey is a self-employed lawyer who is engaged in the general practice of law,

including personal injury and wrongful death, estates and estate planning, commercial real estate transactions and development, business law, eminent domain, and civil litigation. He is the President of The Children's League and The Reeves Foundation, is a member of the Western Maryland Health System Foundation Board, and has been active with numerous other organizations and business entities. His vast professional knowledge and experiences help further the board's capacity to understand the interrelationships between multiple perspectives.

Cheryl L. Bennett, Optometrist and business owner. Grant County Bank board member since 2022. Dr. Bennett graduated from the WVU Institute of Technology and continued her education at the Pennsylvania College of Optometry graduating in 2000. In 2017 Dr. Bennett established her practice, The Spectacle Family Eye Care, in Petersburg, WV, serving the same communities as the Company serves. In addition, she opened The Grove Café & Bakery, also located in Petersburg, WV in October 2021. Cheryl is a member of the Daughters of the American Revolution, Blackwater Chapter. She attends Bright's Chapel Church at Hendricks. The board believes that Dr. Bennett's entrepreneurial spirit, combined with her positive attitude and business acumen, make her an excellent addition to the board.

Morris M. Homan, Jr. Retired Veterinarian. Highlands board member since May 2008 and Capon Valley Bank board member since 1997. Dr. Homan is the chairman of the Company's Audit Committee. He graduated from West Virginia University and continued his education at The Ohio State University College of Veterinary Medicine and graduated in 1977. He established his practice, Mountaineer Veterinarians, PLLC, serving the same communities as the Company serves. Dr. Homan closed his practice December 23, 2022. Dr. Homan's years of experience in business, his knowledge and involvement in the community, and his diverse background provides the Board with a focused perspective on the needs of the community while balancing the needs of the business. Dr. Homan is also an active member of Hardy County Board of Health, a member of the West Virginia Veterinary Medical Association, a member of the American Veterinary Medical Association, and an active member of the Moorefield Presbyterian Church where he has served as a deacon, an elder, and currently is serving as a trustee, along with being an active member of the choir. Dr. Homan served for several years as a member of the Moorefield Athletic Boosters. Dr. Homan's business experience and community involvement bring another valued perspective to the Board.

John Paul Hott, II. Self-employed insurance agent representing Erie Insurance since 2001 and self-employed business owner of Hott Disposal Services, Inc. since 2012. Mr. Hott has been a member of the Grant County Bank board of Directors since 2014. He received a Bachelor of Arts in Education degree in 1993 and earned a Masters of Education degree from Frostburg State University in 2004. Mr. Hott is currently serving as a Delegate of the WV House of Delegates representing the 85th District of West Virginia including all of Grant and Tucker Counties. In the state legislature, he serves on the following committees: Finance, Banking & Insurance, Appropriation, Rules, and Government Organization. Mr. Hott began his career as an insurance agent in 1993. From 2011-2016, Mr. Hott was elected Chairperson of the Erie Task Force. He was chairman of the Board of Directors for the Grant County Nursing Home from 1998-2008. Mr. Hott served as a Petersburg City Councilman from 2009-2014. He has served on many community boards and committees such as the Grant County Little League and Tri-County Youth Wrestling, where he was one of the founders. Mr. Hott was the administrator and past President of the Grant County Pre-School. Mr. Hott's professional business experience and community involvement bring valuable insight to the board.

John Mitchell Orndorff. Self-employed owner of SpecialMade Goods and Services, a printing, product modification, and logistics company. Mr. Orndorff also founded Hot Stamp Supply Company and is the principal in a real estate company operating in West Virginia and Virginia. He attended Fairmont State College and graduated from James Rumsey Vocational Technical Center in 1976. He began his career at Rubbermaid Commercial Products as a Graphics Manager until he founded SpecialMade in 1997. He is the co-founder, along with his wife, of Share the Cheer Foundation, a non-profit family foundation helping others since 1990. He served as a past board member of Top of Virginia Regional Chamber, Winchester-Frederick County Economic Development Commission, Wardensville Scholarship Fund Association and the Wardensville Garden Market. He attends Opequon Presbyterian Church in Winchester where he has served as an Elder and Trustee. Mr. Orndorff's business knowledge and community involvement provides valuable insight to the Board.

James R. Pyles. Self-employed Funeral Director at McKee Funeral Homes. Mr. Pyles has been a member of the Capon Valley Bank board of Directors since 1980. He graduated from Shepherd University in 1967 and Pittsburgh Institute of Mortuary Science in 1969. His family business began in 1880, and he continued his family legacy serving the same communities as his ancestors. Mr. Pyles years of experience in business, his knowledge and involvement in the community, and his diverse background provides the Board with a focused perspective on the needs of the community while balancing the needs of the business. Mr. Pyles is an active

member of the Augusta Ruritan Club where he chairs the Hampshire County Fair entertainment committee. He is a fifty-year member of the Hampshire County Farm Bureau; an active member of the Clinton Lodge #86 A.F. and A.M. and The Augusta Church of Christ. Mr. Pyles' business experience and community involvement in Hampshire and Hardy counties bring another valued perspective to the Board.

We believe that our Directors and nominees have an appropriate balance of knowledge, experience, attributes, skills and expertise required for our board as a whole and that we have sufficient independent Directors to comply with applicable law and regulations. We believe that our Directors have a broad range of personal characteristics including leadership, management, technological, business, marketing and financial experience and abilities to act with integrity, with sound judgment and collegiality, to consider strategic proposals, to assist with the development of our strategic plan and oversee its implementation, to oversee our risk management efforts and executive compensation and provide leadership, to commit the requisite time for preparation and attendance at board and committee meetings and to provide required expertise on board committees.

We believe that each Director or nominee brings a strong background and set of skills to the Board, giving the Board, as a whole, competence and experience from a wide variety of areas.

Board Meetings and Compensation

The Board met 12 times during 2025 as required by Company policy, each Director attended at least 75% of the aggregate of (i) the total number of meetings held by the Board and (ii) the total number of meetings held by the committee on which the Director served. Directors received \$650.00 for attending Board meetings and \$375.00 for attending committee meetings. Members of the Audit Committee received \$475.00 for attending meetings of the Audit Committee.

All Directors of Highlands also serve as Directors of one or more of the Company's subsidiaries. Both Capon Valley Bank and The Grant County Bank have Directors who serve on the boards of the respective subsidiary who do not serve on the Board of Highlands. The board fees for the subsidiary banks are the same as those fees for Highlands.

The table below sets forth the compensation received during the fiscal year ended December 31, 2025, by each of Highlands' Directors:

Name	Fees Earned or Paid in Cash	All Other Compensation	Total
Jack H. Walters	\$39,600	\$16,000	\$55,600
Donald J. Baker, Jr.	33,600		33,600
George L. Ford	29,000		29,000
Michael A. McDonald	24,780		24,780
John D. Athey	30,700	8,550	39,250
Cheryl L. Bennett	27,400		27,400
Morris M. Homan, Jr.	45,700		45,700
John Paul Hott, II	52,100		52,100
John Mitchell Orndorff	28,900		28,900
James R. Pyles	29,200		29,200

All fees paid to Directors during the fiscal year ended December 31, 2025, were paid in cash. Fees include Board and Committee fees earned by each of the Directors for serving on the Boards of Highlands and one or more of the subsidiary banks and any Committees of the Board of Highlands or one or more of the subsidiary banks on which the Director might serve. Fees shown above include reimbursement for mileage to and from Board or Committee meetings.

The amount disclosed above as other compensation for Mr. Walters and Mr. Athey are legal fees paid by the Company and its subsidiary banks to their respective law firms. In addition, from time to time, they may be remunerated for other services rendered related to lending and other operations of one of the subsidiary banks. Portions of the fees earned by the attorney, or the legal firm, for work in this capacity are ultimately borne by the customer(s) of the subsidiary bank, and not by the Company or its subsidiary banks, and as such are not shown within the table above. Mr. Walter's compensation includes a legal retainer fee.

Board Committees

The Board of Directors of Highlands has designated the following Committees: Compensation Committee and Audit Committee. Highlands does not have a separate Nominating Committee as the full Board serves in this capacity. The table below illustrates which members served, during the past year, on the Nominating, Compensation and Audit Committees:

Director	Nominating Committee (Full Board)	Compensation Committee	Audit Committee
Jack H. Walters	X*	X	
Donald J. Baker, Jr.	X*	X	X
George L. Ford	X		
Michael A. McDonald	X		
John D. Athey	X*	X	
Cheryl L. Bennett	X*	X	
Morris M. Homan, Jr.	X*	X	X
John Paul Hott, II	X*	X	X
John Mitchell Orndorff	X*	X	
James R. Pyles	X*	X	X

*=Independent Director.

Attendance at Annual Meeting

Although there is no formal written policy, the Company expects all Directors to attend the Annual Meeting of Shareholders each year. All of the Directors attended the Annual Meeting of Shareholders on May 12, 2025.

CERTAIN RELATED TRANSACTIONS

Loans made by The Grant County Bank and Capon Valley Bank to Directors, Director nominees and their affiliates were made in the ordinary course of business, were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time the loans were made for comparable transactions with other persons, and did not involve more than the normal risk of collectability or present other unfavorable

features. In addition, the Company or its subsidiaries, may, from time to time, obtain goods or services from a Director or their affiliates. Any such business transaction with a related party did not, during 2025, exceed \$120,000 nor was made under terms unfavorable to the Company or its affiliates as compared to the obtaining of similar goods or services from non-related parties.

The Company has adopted a Related Party Transaction Policy. This policy covers substantially all material business transactions between related parties and the Company or its subsidiaries. The policy requires that all loans or business transactions above certain thresholds with insiders, as defined by the policy, be approved by the Company's Board of Directors. This policy has been designed in an attempt to ensure the appropriateness of all related party transactions and in an attempt to ensure that all required reporting of related party transactions is achieved.

PROPOSAL TWO

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTANTS

S. R. Snodgrass, P.C. is being recommended to the Company's Shareholders for appointment as the auditor for 2026. A representative of S. R. Snodgrass, P.C. is expected to attend the Annual Meeting with the opportunity to make a statement or to respond to appropriate questions from Shareholders.

The Board recommends that Shareholders vote "FOR" Proposal Two

Fees of Independent Registered Certified Public Accountants

The following fees were paid to Brown, Edwards & Company, LLP, the Company's Independent Registered Certified Public Accountants for services provided to the Company for the fiscal years ending December 31, 2025, and 2024 for fees relating to the audit of year-end financial statements:

Type of Fee	2025	2024
Audit Fees	\$ 67,500	\$ 64,500
Audit Related Fees	0	0
All Other Fees	0	0
Total	\$ 67,500	\$ 64,500

By Order of the Board of Directors



Michael A. McDonald
Corporate Secretary

March 10, 2026