

Related Party Transactions Policy

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| Responsible Department Risk Management | Policy Owner Loran Adams | Originally Prepared Pre-2017 Prepared/Revised L Adams 02/20/2025 |
| Board of Directors Approval Date: 05/28/2025 | Primary Approving Entity Approval Date: Audit Committee 03/05/2026 | Page 1 of 4 |

PURPOSE

The Board of Directors of Carter Bankshares, Inc. (together with its subsidiaries, unless the context requires otherwise, the “Company”) recognizes that Related Party Transactions (as defined below) can present potential or actual conflicts of interest and create the appearance that Company decisions are based on considerations other than the best interests of the Company and its stockholders. Accordingly, as a general matter, it is the Company's preference to avoid Related Party Transactions. Nevertheless, the Company recognizes that there are situations where Related Party Transactions may be in, or may not be consistent with, the best interests of the Company and its stockholders, including but not limited to situations where the Company may obtain products or services of a nature, quantity or quality, or on other terms, that are not readily available from alternative sources or when the Company provides products or services to Related Parties (as defined below) on an arm's length basis on terms comparable to those provided to unrelated third parties or on terms comparable to those provided to employees generally. Therefore, the Company has adopted the procedures set forth below for the review and approval or ratification of Related Party Transactions.

DEFINITIONS

Under this policy, a Related Party Transaction shall be consummated or shall continue only if:

1. the Company's Audit Committee has approved or ratified such transaction in accordance with the guidelines set forth in this policy, after taking into account, among other factors it deems appropriate, whether the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party;
2. for compensation matters, the Company's Nominating and Compensation Committee has approved or ratified such transaction; or

3. for loans to or other similar relationships with Related Parties, the loan or other relationship has been approved in accordance with Regulation O loan policy and procedures.

For these purposes, a "Related Party" is:

1. an executive officer, director or nominee for director of the Company;
2. a stockholder owning in excess of five percent (5%) of the Company's outstanding equity
3. a person who is an immediate family member of someone listed in 1 or 2 above, with "immediate family member" including a person's child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law or any person (other than a tenant or employee) sharing the household of such person; or
4. an entity that is owned or controlled by someone listed in 1, 2 or 3 above, or an entity in which someone listed in 1, 2 or 3 above has a substantial ownership interest or control of such entity.

For these purposes, a "Related Party Transaction" is:

1. a current or currently proposed transaction, arrangement or relationship (or series of transactions, arrangements or relationships);
2. in which the Company was, is or will be a participant;
3. in which the amount involved exceeds \$120,000; and
4. in which any Related Party had, has or will have a direct or indirect material interest.

PROCEDURES FOR AUDIT COMMITTEE APPROVAL

The Board of Directors has determined that the Audit Committee is best suited to review and approve or ratify Related Party Transactions, other than transactions involving compensation, which are approved by the Nominating and Compensation Committee, and transactions involving loans to or other similar relationships with Related Parties, which are approved in accordance with the Company's Regulation O loan policy and procedures. Accordingly, at each calendar year's first regularly-scheduled Audit Committee meeting, management shall recommend Related Party Transactions that are subject to the Audit Committee's approval to be entered into by the Company for that calendar year, including the proposed aggregate value of such transactions if applicable. After reviewing the material facts, the Audit Committee

shall approve or disapprove such transactions and, at each subsequently-scheduled meeting, management shall update the Audit Committee as to any material change to the approved or ratified transactions.

In the event management recommends any further Related Party Transactions subsequent to the first calendar year meeting that are subject to the Audit Committee's approval or ratification, such transactions will be presented in advance to the Audit Committee for approval if feasible. If advance Audit Committee approval of a Related Party Transaction is not feasible, management may preliminarily enter into such Related Party Transaction and the Related Party Transaction shall be considered and, if the Audit Committee determines it to be appropriate, ratified at the Audit Committee's next regularly scheduled meeting, provided that if ratification shall not be forthcoming, management shall make all reasonable efforts to cancel or annul such transaction.

No director shall participate in any discussion or approval of a Related Party Transaction for which he or she is a Related Party, except that the director shall provide all material information concerning the Related Party Transaction to the Audit Committee.

If a Related Party Transaction will be ongoing, the Audit Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Audit Committee, on at least an annual basis, shall review and assess ongoing relationships with the Related Party to ensure they are in compliance with the Audit Committee's guidelines and that the Related Party Transaction remains appropriate.

The Audit Committee will review this policy on a regular basis and recommend any changes it deems appropriate to the Company's Board of Directors for approval.

COORDINATION WITH CODE OF CONDUCT

This policy applies to Related Party Transactions that are required to be approved according to the procedures set forth in this policy. Certain conflict of interest transactions that are not required to be approved under this policy continue to be subject to the Company's Code of Conduct.

DISCLOSURE

Except to the extent approved by the Nominating and Compensation Committee or in accordance with the Company's Regulation O loan policy and procedures described above, all Related Party Transactions shall be disclosed to the Audit Committee and any material Related Party Transaction shall be disclosed to the full Board of Directors.

The Audit Committee will coordinate with the Nominating and Compensation Committee regarding any Related Party Transaction that is subject to the Audit Committee's approval or ratification and involves a director or nominee for director of the Company in connection with the Nominating and Compensation Committee's evaluations and recommendations to the Board of Directors regarding director independence.

The Company shall disclose the material features of this policy and shall disclose all Related Party Transactions as required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and other applicable laws, rules and regulations.