

Charter of the Joint Nominating & Compensation Committee

Responsible Department Joint Nominating & Comp Committee	Policy Owner Kimberly Schaufenbuel	Originally Prepared Pre-2017 Prepared/Revised J. Davis 10/01/2025
Board of Directors of Carter Bankshares, Inc. and Carter Bank Approval Date: 05/27/2026	Primary Approving Entity Approval Date: Nom & Comp Committee 03/19/2026	Page 1 of 7

PURPOSE

This Charter sets forth the composition, duties and responsibilities of the joint Nominating and Compensation Committee (the “Committee”) of the Board of Directors of Carter Bankshares, Inc. (the “Company”) and the Board of Directors of Carter Bank (the “Bank,” and together with the Company, the “Companies”).

The Committee is a joint committee of the Boards of Directors of the Company and the Bank (each, a “Board” and collectively, the “Boards”). The Committee is responsible for (i) identifying individuals qualified to become members of each Board, and to recommend to each Board the director nominees to fill vacancies or stand for election (ii) discharge the Board’s responsibilities relating to the compensation of the CEO and other Executive Officers (with respect to the Company, within the meaning of Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) of the Companies, and also for overseeing the benefit, bonus, incentive compensation, severance, equity-based or other compensation plans, policies and programs of the Companies and its subsidiaries or divisions), and (iii) to exercise and perform the authority, duties and responsibilities of the Committee set forth in this charter.

MEMBERSHIP

The Committee shall be comprised of at least three members appointed by the Boards. Committee members shall serve at the pleasure of the Board and for such term as the Boards determine. The Committee members will elect a chair by majority vote of the full Committee membership. Each member of the Committee shall (i) be a director of both the Company and the Bank, (ii) meet the independence

and other applicable requirements of the NASDAQ Stock Market, as interpreted by the Company's Board in its business judgment, and (iii) satisfy all other applicable requirements of law, rules and regulations and other requirements of governmental or regulatory bodies, all as in effect from time to time and applicable to Committee membership. At least two members of the Committee also shall qualify as "non-employee" directors ("Non-Employee Directors") within the meaning of Rule 16b-3 under the Exchange Act.

If at any time the Committee includes a member who is not a Non-Employee Director, then either a subcommittee comprised entirely of two or more Committee members who are Non-Employee Directors or the Board shall approve any grants made to any individual who is subject to liability under Section 16 of the Exchange Act.

AUTHORITY AND OPERATIONS

The Committee is authorized to perform each of its duties and responsibilities set forth in this Charter, and to undertake such other duties and responsibilities within the scope of its primary functions outlined above as the Committee or the Boards may from time to time deem necessary or appropriate.

1. The Committee shall hold regular meetings at least four times per year and report to the Boards on a regular basis. Meetings shall include any participants the Committee deems appropriate and shall be of sufficient duration and scheduled at such times as the Committee deems appropriate to properly discharge its responsibilities.
2. To the extent not expressly reserved to the Committee by the Boards or by applicable law, rule or regulation, the Committee may form and delegate to one or more subcommittees all or any portion of the Committee's authority, duties and responsibilities, and may establish such rules as it determines necessary or appropriate to conduct the Committee's business.
3. The Committee shall have direct access to, and complete and open communication with, the management of the Companies and may obtain advice and assistance from internal legal, accounting or other advisers to assist it.
4. The Committee shall have the authority, in its sole discretion, to retain and terminate (or obtain the advice of) any adviser to assist it in the performance of its duties, but to the extent required by applicable NASDAQ rules, only after taking into consideration factors relevant to the adviser's independence from management specified in NASDAQ Listing Rule 5605(d)(3)(D). The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any adviser retained by the Committee, and shall have sole authority to approve the adviser's fees and the other terms and conditions of the adviser's retention. The Companies must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any adviser retained by the Committee.

5. The Committee shall review and annually assess its performance and report the results to the Boards.
6. The Committee shall review and annually assess the adequacy of this charter and, if appropriate, recommend changes to the charter to the Boards for their approval.

DUTIES AND RESPONSIBILITIES

The Committee shall:

COMPENSATION

1. At least annually, review and evaluate the effectiveness of compensation for each Board (including the mix of cash compensation and equity compensation) and benefits programs in supporting the Companies' ability to attract, retain and motivate qualified directors, and, if appropriate, recommend any changes in the Company's or the Bank's Board compensation to the appropriate Board for approval.
2. At least annually, review and approve the annual base salaries and annual incentive opportunities of the Executive Officers, including the CEO, in light of the Companies' corporate goals and objectives relative to the compensation of the Executive Officers, including the CEO. The CEO shall not be present during any Committee deliberations or voting with respect to his or her compensation. The CEO can provide recommendations to the Committee on the compensation of all other Executive Officers; however, it is the Committee's responsibility to approve the compensation package for all Named Executive Officers, as defined under the rules and regulations of the Securities and Exchange Commission (the "SEC").
3. Periodically and as and when appropriate, review and approve the following as they affect the Executive Officers: (a) any employment agreements and severance arrangements; (b) any change-in-control agreements and severance protection plans and change-in-control provisions affecting any elements of compensation and benefits; and (c) any special or supplemental compensation and benefits for the Executive Officers and individuals who formerly served as Executive Officers, including supplemental retirement benefits and the perquisites provided to them during and after employment.
4. Periodically and as and when appropriate, review and approve any new incentive compensation plans, including equity-based incentive plans, and, as may be required, any amendments to existing plans as they affect the Executive Officers; provided, however, that approval of a new equity plan or amendment thereto is reserved to the Company's Board, based on the recommendation of the Committee.

5. Periodically and as and when appropriate, review and approve cash-based incentive awards and opportunities as they affect the Executive Officers.
6. Act as the Equity Incentive Plan Committee (or similarly-named committee) for the Company's equity incentive plans and approve awards, including stock options, restricted stock awards, performance stock awards, or other awards as provided in the Company's 2018 Omnibus Equity Incentive Plan, or any successor plan, to any award recipient, provided, however, that the Committee may delegate to the Company's CEO, as permitted under the 2018 Omnibus Equity Incentive Plan, or any successor plan, the authority to approve certain equity awards to employees who are not subject to Section 16 of the Exchange Act.
7. Review and discuss the Compensation Discussion and Analysis (the "CD&A") required to be included in the Company's proxy statement and annual report on Form 10-K by the rules and regulations of the SEC with management, and, based on such review and discussion, determine whether or not to recommend to the Company's Board that the CD&A be so included.
8. Prepare and issue the annual Compensation Committee Report for inclusion in the Company's proxy statement in compliance with the rules and regulations promulgated by the SEC.
9. Monitor the Companies' compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to loans to directors and officers, and with all other applicable laws affecting employee compensation and benefits.
10. Oversee the Company's compliance with SEC rules and regulations regarding shareholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, and the requirement under the NASDAQ rules that, with limited exceptions, shareholders approve equity compensation plans. The Committee shall also review the results of advisory votes on executive compensation and consider any implications and make recommendations to the Board.
11. Receive periodic reports on the Companies' compensation programs as they affect all employees.
12. Review and evaluate, at least annually, the compensation policies and practices for the Companies' employees as they relate to risk management and to assess whether the overall design and performance of such compensation policies and practices are consistent with the Companies' safety and soundness
13. Establish the overall compensation philosophy of the Companies and regularly review the Companies' compensation philosophy and practices.
14. Make regular reports to the Boards.

BOARD SELECTION, COMPOSITION AND EVALUATION

1. Establish criteria for the selection of new directors to serve on the Boards.
2. Identify individuals believed to have the experience, qualifications, attributes and/or skills to serve on the Boards and recommend to the Boards for selection the nominees for election as directors of the Companies at annual meetings of shareholders of the Companies or for appointment as directors to fill vacancies on the Boards between annual meetings. In identifying candidates for membership on the Boards, the Committee shall take into account all factors it considers appropriate and consistent with the Companies' corporate governance policies, which may include (i) ensuring that each Board, as a whole, consists of individuals with various backgrounds, various and relevant career experience, relevant technical skills, industry knowledge and experience, including, as appropriate, cybersecurity and technology expertise, financial expertise (including expertise that could qualify a director as an Audit Committee "financial expert," as that term is defined by the rules of the SEC), local or community ties and (ii) minimum individual qualifications, including high level leadership experience in business activities, breadth of knowledge about issues affecting the Companies, time available for meetings and consultation on matter impacting the Companies, strength of character, mature judgment, independence of thought and an ability to work collegially. The Committee also may consider the extent to which the candidate would fill a present need on the Board.
3. Review and make recommendations to the Board as to whether members of the Boards should stand for re-election. Consider matters relating to the retirement of members of the Boards, including term limits or age limits.
4. Review and make recommendations to the Boards regarding whether to elect a lead independent director of the Boards and, if so, regarding one or more candidates for election as lead independent director, in each case in accordance with the Companies' corporate governance policies.
5. Evaluate candidates for nomination to the Boards, including those recommended by shareholders. In that connection, the Committee shall adopt procedures for the submission of recommendations for director nominees by the Company's shareholders as it deems appropriate.
6. Retain and terminate, in its sole discretion, any search firm used to identify director candidates and any compensation consultant used to assist in the evaluation of director compensation, and to approve the fees and other retention terms for such firms and consultants.
7. Conduct all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates for nomination to the Boards.

8. Consider questions of independence and possible conflicts of interest of members of the Boards and Executive Officers, and whether a candidate has special interests or a specific agenda that would impair his or her ability to effectively represent the interests of all shareholders.
9. Review and make recommendations to the Boards, as the Committee deems appropriate, regarding the composition and size of the Boards in order to ensure the Boards have the requisite expertise, the Board's memberships consist of persons with sufficiently varied and independent backgrounds, and the Company's Board always meets applicable independence and other requirements of the NASDAQ Stock Market.
10. Oversee and recommend to the Boards (i) director orientation programs and processes for newly-elected or appointed members of the Boards or committee members and (ii) continuing education opportunities for members of the Boards, including committee-specific education opportunities.
11. Oversee evaluation of the Boards and their performance.

BOARD COMMITTEES

1. Recommend to the Boards directors to serve as members of each Board committee, taking into consideration the skills, attributes, experience and tenure of each committee member, including proposed committee members to fill vacancies as needed. In recommending a director for a committee membership, the Committee shall take into consideration the factors set forth in that committee's charter, if any, and the rotation of committee assignments as set forth in the Company's corporate governance policies, and other factors it deems appropriate, including without limitation the interplay of the candidate's experience with the experience of other committee members.
2. Recommend to the Boards changes that the Committee believes desirable to the size of any committee of either Board or to Board's committee structure.

BOARD PERFORMANCE

1. Oversee and approve the process and guidelines for the annual evaluation of the performance and effectiveness of the Chairman of each Board (and lead independent director if there is one), the Boards, and the committees of the Boards, including the communication of the results of such evaluations to the Boards.

SUCCESSION PLANNING

1. Oversee succession planning for the Boards and Board leadership appointments, including the Chairman of each Board (and lead independent director of each Board, if there is one) and committee chairs, in accordance with the Companies' corporate governance policies.
2. Oversee evaluation of the management of the Companies and, in consultation with the independent directors and the CEO, review succession planning and management development activities and strategies regarding the CEO and other members of senior management, and discuss the Companies' overall management resources.
3. Review and approve the appointment of any officer of the Company or the Bank at a level of Executive Vice President or above.

OTHER AUTHORITY

1. Review and approve or ratify related person transactions for compensation matters in accordance with the Company's Related Party Transactions Policy. Report approved related party transactions for compensation matters to the Boards.
2. Have such other authority, duties or responsibilities as may be delegated to the Committee by the Boards.