



# CHARTER

## CREDIT RISK COMMITTEE OF THE BOARD OF DIRECTORS

### Purpose

The purpose of the Credit Risk Committee (“Committee”) of the Board of Directors (“Board”) of Carter Bank and Trust (“Bank”) is to: (i) assist the Board in setting the strategic direction for the Bank’s lending operations, (ii) assist the Board in fulfilling its oversight responsibilities with respect to the Bank’s lending and credit functions, and (iii) fulfill such other responsibilities as assigned to it by the Board. The Committee is responsible for:

1. Reviewing and approving the methodology and adequacy of the Allowance for Credit Losses (“ACL”);
2. Reviewing, approving or declining changes to significant loan policies of the Bank;
3. Reviewing and monitoring the Bank’s lending and credit related activities;
4. Reviewing and approving or declining recommendations regarding segment limits;
5. Reviewing and approving or declining changes to management loan committee charters, and
6. Assigning loan authority to the Bank’s Chief Credit Officer who in turn may delegate lending authority to other officers and management loan committees of the Bank.

### Membership, Appointment and Removal

The Committee shall consist of no fewer than five directors appointed by the Board, at least three of whom shall be independent as determined by the Board’s criteria for independence. One of the Committee members shall be designated by the Board to serve as Chairperson of the Committee. The Chairperson of the Committee shall preside at all meetings of the Committee. Decisions will be determined by a quorum of the members which shall be defined as a simple majority. In the absence of the Chairperson, and provided a quorum is present, the remaining members of the Committee may designate from among the Committee’s membership a member to preside at the meeting as an interim Chairperson. Members shall be appointed by the Board and serve until their resignation, retirement or removal by the Board.

### Meetings

The Committee shall meet quarterly in the month following a calendar quarter-end on the Tuesday prior to the full Board meeting. The Chairperson may call special meetings of the Committee as necessary and appropriate.

#### Reports to the Board

The Committee shall keep written minutes and other relevant records of each meeting, subject to review and approval by the members of the Committee, which shall be provided to the Board for its review and/or ratification and maintained with the books and records of the Bank. Following each of its meetings, the Chairperson of the Committee shall report activities of the Committee to the Board.

#### Annual Performance Evaluation

The Committee shall annually undertake a self-evaluation of the Committee, including its effectiveness and compliance with this charter. The Committee shall deliver to the Board a report setting forth the results of its evaluation, including any recommended amendments to the charter and any recommended changes to the Bank's or the Board's policies and procedures, which shall then be discussed with the full Board and acted upon as appropriate.

*Effective January 24, 2023*

**BOARD APPROVAL DATE : 5/22/2024**