

Code of Business Conduct and Ethics

Responsible Department Human Resources	Policy Owner Paul Carney	Prepared/Revised P Carney 04/03/2024
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PURPOSE

CODE OF BUSINESS CONDUCT AND ETHICS

The honesty, integrity and sound judgment of our directors, officers and associates is essential to the reputation and success of the Bank. The Code of Conduct (the "Code") requires high standards of conduct to provide current and potential customers, stockholders, fellow associates, suppliers and anyone else with whom the Bank has contact with complete confidence in the Bank and its associates.

All directors, officers and associates will receive a copy of our Code of Conduct and will be required to sign an annual acknowledgment that they have read and will adhere to it. Newly appointed directors and newly hired officers and associates will receive a copy of the Code of Conduct upon appointment or hiring. All signed acknowledgments will be retained by the Human Resources Department.

The Bank's Board of Directors is responsible for setting the standards of business conduct contained in this Code and updating these standards as it deems appropriate to reflect changes in the legal and regulatory framework applicable to the Bank, the business practices within the Bank's industry, the Bank's own business practices, and the prevailing ethical standards of the communities in which the Bank operates. The Bank's Board of Directors will review the Code annually. The Board of Directors has delegated to the Audit Committee and the Enterprise Risk Management Committee the responsibility of reviewing senior management's monitoring of the Bank's compliance with the Code and ensuring that management has the proper review systems in place to ensure that the Bank's financial statements, reports and other financial information disseminated to regulatory agencies and the public satisfy legal requirements.

This Code of Conduct governs the actions and working relationships of directors, officers and associates of the Bank with current and potential customers, stockholders, fellow associates, suppliers and anyone else with whom the Bank has contact. The trust required in these relationships is essential to the success of the Bank.

CONFLICTS OF INTEREST

A "conflict of interest" occurs when a director, officer or associate's private interest interferes, appears to interfere, or could interfere in any way with the interests of the Bank. A director, officer or associate must not represent the Bank in any transaction where they have a material connection or a financial interest. Specifically, a material connection includes the involvement of a family member (as defined below). Directors, officers and associates are expected to avoid all situations that might lead to a real, apparent or potential conflict between their self-interest and their duties and responsibilities as directors, officers or associates of the Bank.

Officers and associates should not be involved in any activity which creates or gives the appearance of a conflict of interest between their personal interests and the Bank's interests. Conflicts of interest may include situations in which an officer or associate:

- is a consultant to, or a director, officer or associate of, or otherwise operates an outside business:
 - that markets products or services in competition with the Bank's current or potential products and services,
 - that supplies products or services to the Bank; or
 - that purchases products or services from the Bank; or
- has any financial interest, including stock ownership, in any such outside business that might create or give the appearance of a conflict of interest, or
- seeks or accepts any personal loan or services from such an outside business, except from financial institutions or service providers offering similar loans or services to third parties under similar terms in the ordinary course of their respective businesses;
- is a consultant to, or a director, officer or associate of, or otherwise operates an outside business if the demands of the outside business would interfere with the officer's or associate's responsibilities with the Bank;
- accepts any personal loan or guarantee of obligations from the Bank, except to the extent such arrangements are legally permissible,
- conducts business on behalf of the Bank with family members, which include spouse, children, parents, siblings and persons sharing the same home whether or not legal relatives; or

- uses the Bank property, information or positions for personal gain.

The appearance of a conflict of interest may exist if a family member of an officer or associate of the Bank is a consultant to, or a director, officer or associate of, or has a significant financial interest in, a competitor, supplier or customer of the Bank, or otherwise does business with the Bank.

Acceptance of outside employment by officers and associates must be approved by the Chief Human Resources Officer. Requests for approval of outside employment must be made in writing. Approval for such employment will normally be granted unless it is not consistent with the best interests of the Bank or will interfere with the officer or associate's job responsibilities.

A majority of the directors of the Bank shall be "independent directors" as described by the applicable requirements of the NASDAQ Listing Rules. Under these rules, an "independent director" means a person other than an executive officer or associate of the Bank or any other individual having a relationship which, in the opinion of the Bank's Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The following persons shall not be considered independent:

- a director who is, or at any time during the past three years was, employed by the Bank;
- a director who accepted or has a family members who accepted any compensation from the Bank in excess of \$120,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following:
 - compensation for Board or Board committee service;
 - compensation paid to a family member who is a non-executive associate of the Bank
 - benefits under a tax-qualified retirement plan, or non-discretionary compensation;
- a director who is a family member of an individual who is, or at any time during the past three years was, employed by the Bank as an executive officer;
- a director who is, or has a family member who is, a partner in, or a controlling stockholder or executive officer of, any organization to which the Bank made, or from which the Bank received, payments for property or services in the current year or anyone of the past three fiscal years (other than payments arising solely from investments in the Bank's securities or payments under non-discretionary charitable contribution matching

programs) that exceed 5% of the recipient's consolidated gross revenues for that year or \$200,000 whichever is more;

- a director who is, or has a family member who is, employed as an executive officer of another entity where at any time during the past three years any of the Bank's executive officers serve on the compensation committee of such other entity; or
- a director who is, or has a family member who is, a current partner of the Bank's outside auditor, or was a partner or associate of the Bank's outside auditor who worked on the Bank's audit at any time during any of the past three years.

Under these rules and for purposes of this Code, "family member" shall mean a person's spouse; parents; children and siblings, whether by blood, marriage, or adoption; or anyone residing in such person's home.

Directors, officers, and associates shall notify the Bank's Chief Executive Officer or Chief Financial Officer of the existence of any actual, apparent, or potential conflicts of interest. Conflicts of interest may not always be clear-cut. Therefore, questions should be directed to the Bank's Chief Executive Officer or Chief Financial Officer.

CONFIDENTIAL INFORMATION: PROTECTION AND PROPER USE OF THE BANK'S ASSETS

The confidentiality provisions in this section are subject to the protected right of directors, officers and associates as set forth below under "Reporting of Violations of the Code of Business Conduct and Ethics."

Directors, officers, and associates shall maintain the confidentiality of all Bank information entrusted to them by the Bank or its suppliers, customers, or business partners, except when disclosure is authorized by the Bank or legally required. Directors, officers and associates are not to share confidential Bank information with anyone outside of the Bank, including family members and friends, or with other associates who do not need the information to carry out their duties. Directors, officers, and associates will be required to sign a confidentiality agreement upon their initial appointment to the Board of Directors or employment at the Bank. Directors, officers and associates remain under an obligation to keep all Bank information confidential even if their appointment or employment with the Bank ends.

Confidential information includes all nonpublic information that might be of use to competitors, or unfavorable to use of our customers if disclosed. Confidential information includes, but is not limited to, the following: (1) information marked "Confidential," "Private," "For Internal Use Only," or similar legends, (2) technical, financial or economic information relating to past, current, or future products, services or research, (3) business or marketing plans or projections, (4) earnings and other internal

financial data, (5) associate information, (6) vendor and customer lists and (7) other non-public information that, if disclosed, might be of use to the Bank's competitors, harmful to the Bank or its vendors, customers or other business partners, or constitute a violation of securities laws. Bank directors, officers and associates are entrusted with confidential information that must be safeguarded at all times.

Directors, officers, and associates are personally responsible for protecting Bank assets that are entrusted to them and for helping to protect the Bank's assets in general. Directors, officers and associates shall use the Bank's assets for the Bank's legitimate business purposes only.

CUSTOMER AND ASSOCIATE PRIVACY AND ACCOUNT ACCESS

Customer and associate privacy is a key part of banking and associates are only to access customer and associate accounts for legitimate business reasons (i.e., to assist the customer or cash a check). It is prohibited for associates to access any customer or associate accounts out of curiosity or personal gain. Associate inquiry activity will be monitored and disciplinary action up to and including termination will be taken for unauthorized inquiries on customer or associate accounts.

CORPORATE OPPORTUNITIES AND FAIR DEALING

Directors, officers, and associates owe a duty to the Bank to advance its legitimate interests whenever possible. Directors, officers, and associates are prohibited from personally benefitting from opportunities that are discovered through the use of Bank property, contacts, information or positions, or acting on behalf of the Bank in any transaction in which they or their family members has a significant direct or financial interest. To the extent directors or executive officers want to pursue a permissible corporate opportunity, they must also comply with relevant sections of the Bank's Related Party Transactions Policy.

The Bank is committed to promoting the values of honesty, integrity, and fairness in the conduct of its business and sustaining a work environment that fosters mutual respect, openness, and individual integrity. Directors, officers, and associates are expected to deal honestly and fairly with the Bank's customers, suppliers, competitors, and other third parties. To this end, directors, officers, and associates shall not:

- make false or misleading statements to customers, suppliers, or other third parties;
- make false or misleading statements about competitors;
- solicit or accept from any person that does business with the Bank, or offer or extend to any such person:
 - cash of any amounts; or

- gifts, gratuities, meals, or entertainment that could influence or reasonably give the appearance of influencing the Bank's business relationship with that person or go beyond common courtesies usually associated with accepted business practice;
- solicit or accept any fee, commission, or other compensation for referring customers to third-party vendors; or
- otherwise take unfair advantage of the Bank's customers or suppliers, or other third parties, through manipulation, concealment, abuse of privileged information, or any other unfair-dealing practice.

The Comprehensive Crime Control Act of 1984 makes it a felony for a Bank director, officer, or associate to accept anything of value in exchange for favorable treatment in any type of bank transaction. The Act expands greatly upon banking transactions to include any day-to-day banking functions as well as loans to customers or potential customers. As described above, no director, officer, or associate shall solicit or accept anything of value from anyone in return for any business, service, or information from the Bank.

However, there are certain situations in which it may be permissible to accept a personal benefit from someone with whom the director, officer, or associate transacts business, such as:

- Accepting a gift in recognition of a commonly recognized event or occasion (such as a promotion, new job, wedding, retirement, or holiday). An award in recognition of service and accomplishment may also be accepted without violating these guidelines.
- Accepting something of value if the benefit is available to the general public under the same condition on which it is available to directors, officers, and associates.
- Accepting meals, refreshments, travel arrangements, accommodations, and entertainment of reasonable value in the course of a meeting or other occasion to conduct business or foster business relations if the expense would be reimbursed by the Bank as a business expense if the other party did not pay for it.

INSIDER TRADING

It is both unethical and illegal to buy, sell, trade, or otherwise participate in transactions involving the Bank's common stock while in possession of material information concerning the Bank that has not been released to the general public, but which when released may have an impact on the market price of the Bank's common stock. It is also unethical and illegal to buy, sell, trade, or otherwise participate in

transactions involving common stock or other security of any other company while in possession of similar non-public material information concerning such company. Directors, officers, and associates must comply with the Bank's Policy Statement on Insider Trading.

EXTENSIONS OF CREDIT

The Bank may extend credit to any director, principal stockholder, or executive officer only on substantially the same terms as those prevailing for comparable transactions with other persons or that may be available to the Bank associates generally as permitted by and in accordance with Regulation O of the Board of Governors of the Federal Reserve System.

PERSONAL FINANCES

All directors, officers, and associates are expected to demonstrate the ability to properly manage their personal finances, particularly the prudent use of credit. No director, officer, or associate should knowingly overdraw his/her personal checking account. The Bank recognizes that its customers must have faith and confidence in the honesty and character of its directors, officers, and associates.

PROPER HANDLING OF BANK TRANSACTIONS

To avoid non-compliance or any appearance of non-compliance with the Code of Conduct, banking transactions for associates and their family members must be handled properly.

- Associates may not cash checks, receive deposits, or handle any other type of banking transactions on their own accounts or for a family member.
- All associates' personal banking transactions must be processed through the Bank's core processing system and be properly validated.
- Associates may not approve or make loans to themselves or family members.
- Associates may not approve overdrafts for themselves or family members.
- Associates may not rent a safe deposit box to either themselves or family members. In addition, access to a box must be controlled by another associate.

For the purpose of this Code, "family members" is defined above.

CRIMINAL CHARGES AGAINST ASSOCIATES

It is essential for the Bank as an institution providing financial services to maintain public trust and confidence, and in order to maintain such trust and confidence, the Board of Directors of the Bank has determined that the Bank and all of the Bank's associates must abide by the letter and spirit of all applicable governmental laws, statutes, regulations, rules, or other similar provisions. It shall be the policy of the Bank that in the event that any associate of the Bank has been indicted or charged in any federal, state, or local court with the commission of a felony or any other crime involving moral turpitude, whether or not such felony or crime arises in connection with work performed for the Bank, such associate shall no later than the next business day thereafter provide written notice hereof to the Chief Human Resources Officer, and in the event the Chief Human Resources Officer becomes aware that any associate of the Bank has been indicted or charged in any federal, state, or local court with the commission of a felony or other crime involving moral turpitude, whether or not such felony or crime arises in connect with work performed for the Bank, such associate shall be placed on a leave of absence without salary or other benefits and such leave of absence shall continue until final resolution of the charge(s). In the event of the conviction of the associate, the employment of such associate shall be terminated. In the event of the acquittal of such associate, such associate may be reinstated in their previous position if it is still available and if the Bank in its sole discretion determines that it would be appropriate to do so.

DISCIPLINARY ACTION FOR ALCOHOL AND ILLEGAL DRUG USE

The unauthorized use or possession of alcohol or the unlawful buying, selling, distribution, use, or possession of illegal or restricted drugs on the Bank premises or during work time is strictly prohibited. Any associate reporting to work or becoming unfit for work because of the influence of alcohol or non-prescription drugs may be subject to disciplinary action up to and including termination.

NO HARASSMENT

The Bank is committed to providing a work environment that is free from any type of harassment. Harassment, either intentional or unintentional, has no place in the work environment and will not be tolerated. The term "harassment" includes, but is not limited to, offensive language, jokes or other verbal, graphic or physical conduct relating to an associate's race, sex, sexual orientation, gender, gender identity, religion, color, national origin, age, disability, veteran status, or other factor protected by law.

SEXUAL HARASSMENT

- Sexual harassment includes but is not limited to the following:
- Physical assaults or physical conduct that is sexual in nature

- Unwelcome sexual advances or comments, or requests for sex or sexual activities, regardless of whether they are accompanied by promises or threats regarding an individual's employment or advancement in employment
- Sexual displays or publications such as calendars, cartoons, or graffiti
- Verbal or physical conduct of a sexual nature which interferes with an individual's work performance by creating an intimidating, hostile, or offensive work environment
- Retaliation for complaints of harassment

Examples of such harassment including joking, teasing, displaying or using objects, pictures, or language including emails which are offensive due to a person's age, disability, race, sex, sexual orientation, gender, gender identity, religion, color, national origin, or veteran status.

RETALIATION

Retaliation for notifying the Bank about harassment is strictly prohibited. Anyone attempting to retaliate or to interfere with the investigation of a complaint of harassment will be disciplined, up to and including termination. Associates are encouraged to report harassment without fear of retaliation. See "Reporting Violations of the Code of Conduct" below.

REPORTING HARASSMENT

The Bank encourages an associate who feels that they are being harassed to tell the harasser that his/her comment(s) or conduct is inappropriate. If the problem cannot be resolved by those involved, or if the associate being harassed is not comfortable addressing the issue with the other person, the associate should notify in writing to any of the Chief Human Resources Officer, any Executive Officer, or the Chairman of the Board of Directors. The associate should not wait until the problem becomes severe, and should not assume that management is already aware of the situation.

In conducting an investigation of reported harassment cases, the Bank will disclose the nature and parties involved only on a limited, need-to-know basis. All written reports of harassment will be confidentially, promptly, thoroughly, and impartially investigated by the Chief Human Resources Officer, an Executive Officer, or the Chairman of the Board of Directors. Depending on the results of the investigation appropriate disciplinary action up to and including termination will be taken.

If, while working at the Bank, an associate feels that they are being harassed by a customer, salesperson, vendor, service provider, or anyone else from outside the organization, they should report the incident in writing to their management team and Human Resources.

COMPLIANCE WITH LAWS, RULINGS & REGULATIONS

The Bank will comply with all governmental laws, rules, and regulations that are applicable to the Bank's activities. This Code of Conduct is based on the Bank's policy that all directors, officers, and associates comply with and obey the law. While the law prescribes a minimum standard of conduct, this Code of Conduct requires conduct that often exceeds the legal standard.

ACCURATE AND TIMELY PERIODIC REPORTS

The Bank is committed to providing investors with full, fair, accurate, timely, and understandable disclosure in the periodic reports and documents that it is required to file with, or submits to, the Securities and Exchange Commission, banking regulators, and other regulatory agencies and authorities, as well as in other public communications made by the Bank. To this end, the Bank shall:

- comply with accounting principles generally accepted in the United States of America ("GAAP") and comply with all regulatory and accounting guidelines for presenting supplementary non-GAAP financial information at all times;
- maintain a system of internal accounting controls that will provide reasonable assurances to management that all transactions are properly recorded;
- maintain books and records that accurately and fairly reflect the Bank's transactions;
- prohibit the establishment of any undisclosed funds or assets
- maintain a system of disclosure controls that will provide reasonable assurances to management that material information about the Bank is made known to management, particularly during the periods in which the Bank's periodic reports are being prepared; and present information in a clear and orderly manner and avoid the use of legal and financial jargon in the Bank's periodic reports

REPORTING OF VIOLATIONS OF THE CODE OF BUSINESS CONDUCT AND ETHICS

The Bank will promptly and consistently enforce the Code of Business Conduct and Ethics. In addition to the importance of maintaining customer confidence, there are specific laws that outline the actions the Bank must take regarding any known or suspected crime involving the affairs of the Bank. Fraud is an element of business that significantly affects the reputation and success of the Bank. Therefore, the Bank requires its directors, officers, and associates to report and discuss any known or suspected criminal activity involving its associates. If, during the course of employment, an officer or associate becomes

aware of any suspicious activity or behavior including concerns regarding questionable accounting or auditing matters, they must report violations of laws, rules, or regulations of this Code of Conduct to the Chairman of the Board of Directors or Audit and Compliance Committee in accordance with the requirements of the Bank's Financial Complaint and Whistleblower Protection Policy.

Reporting the activity will not subject the associate to discipline, absent a knowingly false report. Known or suspected violations of this Code of Conduct will be investigated and may result in disciplinary action up to and including termination of employment. The Bank will not allow any retaliation against a director, officer or associate who acts in good faith in participating or assisting in an investigation or reporting any such violation, whether reported to the Bank or to a proper government official or agency. Anyone who attempts to retaliate against a director, officer, or associate in violation of this Code will be subject to disciplinary action up to and including termination of employment.

In accordance with the updated Whistleblower policy, all reporting, whether or not anonymous, is initiated through the new avenues outlined in the stated policy. This policy is located in Ask Carter. These reports are anonymous and go directly to the Chairman of the Audit Committee, Chairman of the Board or Legal Counsel. The Bank, however, encourages directors, officers and associates to provide their names so the reports can be investigated thoroughly.

Nothing in this Code prohibits associates from reporting possible violations of federal law or regulation to any government official or agency, or reporting on other matters that are protected under the whistleblower provisions of federal law or regulation. Associates do not need prior authorization from the Bank to make a report to a government official or agency and are not required to notify the Bank upon making any such report.

Directors, officers, or associates shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law, or that is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. An individual who files a lawsuit for retaliation by the Bank for reporting a suspected violation of law may disclose the trade secret to their attorney and use the trade secret information in the court proceeding if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

WAIVERS AND AMENDMENTS

The provisions of this Code may be waived for directors or executive officers only by the Bank's Board of Directors. The provisions of this Code may be waived for associates who are not directors or executive officers by the Bank's Chief Executive Officer. Any waiver of this Code granted to a director or executive officer will be publicly disclosed along with the reasons for the waiver to the extent required by the Securities and Exchange Commission or national exchange on which the Bank's securities are listed for trading. Any amendment to or waiver of this Code for the Bank's Chief Executive Officer, Chief Financial Officer, principal accounting officer or controller, or persons performing similar functions will be publicly disclosed to the extent required by the Securities and Exchange Commission.

This Code will be reviewed at least annually by the Executive and Governance Committee, which will recommend appropriate amendments to the Bank's Board of Directors for approval.

PLEDGE OF CONFIDENTIALITY

As a Carter Bankshares, Inc. (together with its subsidiaries, unless the context requires otherwise, the "Company") associate or director, it is necessary that I keep in confidence any information I obtain in handling the business of others. Practically every transaction that comes through the Company has some aspect that requires strict secrecy.

For this reason, I pledge:

I, the undersigned, having an office or position with the Company, pledge to observe the strictest secrecy on the subject of all accounts of all individuals or businesses dealing with the Company. Confidential Company information relating to the Company, its customers and suppliers acquired in the course of duty is to be used solely for Company purposes and under no circumstance revealed to unauthorized persons. In no case shall such information be transmitted to persons outside of the Company or even to other associates who do not need to know such information in performing their duties as associates. However, I understand that this Pledge of Confidentiality is subject to the protected rights of directors, officers, and associates as set forth in the section "Reporting of Violations of the Code of Conduct" in the Company's Code of Business Conduct and Ethics. Confidential information includes, but is not limited to, the following:

- personal information about customers, associates, stockholders, directors, or anyone else doing business with the Company
- shares held by stockholders
- banking transactions
- approval or denial of credit

I pledge not to reveal any confidential Company information not only during the duration of my employment or service as a member of the Board of Directors, but also afterwards if my employment or membership on the Board of Directors ends for any reason.

Associate's Printed Name:

Associate's Signature:

Date:

By signing above, I acknowledge I have read and will adhere to the Code of Business Conduct and Ethics as outlined in Section 6 of this document. Associate Guide Acknowledgment