



CHARTER

CREDIT COMMITTEE OF THE BOARD OF DIRECTORS

Purpose

The purpose of the Credit Committee ("Credit 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 Loan and Lease Losses ("ALLL");
2. Reviewing, approving or declining 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. Establishing the lending authority of various management loan committees and approving said committee charters, and
6. Assigning loan authority to the Bank's Chief Credit Officer who in turn may delegate lending authority to other officers of the Bank.

Membership, Appointment and Removal

The Credit 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 Credit Committee members shall be designated by the Board to serve as Chairperson of the Credit Committee. The Chairperson of the Credit Committee shall preside at all meetings of the Credit 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 Credit Committee may designate from among the Credit 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 Credit Committee shall meet quarterly in the month following a calendar quarter-end. The Chairperson may call special meetings of the Credit Committee as necessary and appropriate.

Reports to the Board

The Credit Committee shall keep written minutes and other relevant records of each meeting, subject to review and approval by the members of the Credit 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 Credit Committee shall report activities of the Credit Committee to the Board.

Annual Performance Evaluation

The Credit Committee shall annually undertake a self-evaluation of the Credit Committee, including its effectiveness and compliance with this charter. The Credit 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.