



CREDIT RISK COMMITTEE CHARTER

Purpose

The Credit Risk Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Primis Financial Corporation (the “Company”) to assist the Board in fulfilling its responsibilities by providing oversight of Company policies and management activities relating to the identification, assessment, measurement and management of the Company’s credit risk. In addition, the Committee is charged with the following:

- Optimization of the risk/return profile of the Company’s consolidated loan portfolio and other real estate owned (“OREO”) portfolio;
- Assess the adequacy of and insure compliance with the Company’s General Loan Policy; and
- Review periodic performance and risk management reports, as well as insure the appropriate classification of loans.

Committee Membership

The Committee shall consist of a minimum of three members plus the Company’s Chief Executive Officer (the “CEO”). Each member of the Committee shall (i) be a director of the Company, (ii) meet any additional requirements imposed by the Board. The Chief Credit Officer and Chief Credit Risk Officer shall be non-voting members of the Committee

The members of the Committee shall be appointed by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation, removal, disqualification or death. The members of the Committee may be removed by the Board, with or without cause, at its discretion. The Board shall designate a chairperson for the Committee.

Meetings, Structure and Operations

The Committee shall meet at least quarterly and shall maintain adequate minutes and records of all meetings. The operation of the Committee, including with respect to actions without meetings, notice of meetings and waiver of notice, quorums and voting requirements, shall be as set forth in the Company’s Bylaws. Meetings of the Committee may be held telephonically.

A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee may act without a meeting by unanimous written consent of all members.

All non-management directors that are not members of the Committee may attend meetings of the Committee but may not vote. The Committee may invite to its meetings any director, member of management of the Company or Primis, and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate, including a director who is not a member of the Committee, in order to carry out its responsibilities.

Committee Duties, Responsibilities and Authority

In furtherance of the purposes of the Committee, the Committee shall have the following duties, responsibilities and authority:

- Review the credit risk management components of the Company's risk management framework, which outlines management's governance structures, practices and programs for management the Company's credit risk and material changes to the Company's credit risk management policies;
- The Committee is to serve as a focal point for communication between non-committee directors and the Company's management, as their duties relate to oversight of management's adherence to lending policies. The Committee is to assist the Board of Directors in fulfilling its fiduciary responsibilities as to their oversight of the lending function of the Company and sufficiency of management's performance relative thereto. In fulfilling this function, the Committee shall consider the following and make appropriate recommendations to the Board:
 - Assess overall quality of the loan portfolio, including level and directions of risk, as well as the review of metrics such as criticized/classified and non-performing assets, consumer loan delinquencies and net charge-offs;
 - The Company's adherence to credit risk appetite metrics and compliance with the Company's guidelines and regulatory requirements regarding customer credit risk aggregation and concentration limits;
 - The Company's management of new problem assets and the frequency and reasons for credit policy exceptions;

- Review all loans with total borrower exposure in excess of \$20 million. All Regulation O loans must be presented to and approved by the full Board of Directors;
- Review specific concentration guidelines as set forth by the Bank's Risk Appetite Statement and including a portfolio risk assessment by loan product type and industry;
- Identify and respond to elevated loan concentrations; and
- Monitor management's overall approach to addressing problem loans to ensure prudent action plans and workout strategies are in place;
- Monitor policies and plans for dealing with OREO and make such recommendations to management as the Committee deems appropriate;
- Review the Asset Quality Trend Report and make such recommendations to management as the Committee deems appropriate;
- Review management's assessment of the appropriateness of the allowance for credit losses, and periodically review the methodology and governance that support management's establishment of the allowance for credit losses;
- Review and approve the Allowance for Loan and Lease Losses reports;
- Review the Portfolio Concentration Report, the Regulation O Report and the Regulation H Report;
- Monitor the activities of Internal Loan Review to include:
 - Review and approve the Internal Loan Review Policy and any change for recommendation to the Board for approval;
 - Review and approve the annual Internal Loan Review Plan;
 - Review all reports and memos presented to the committee;
- Review the General Loan Policy and any proposed revisions for recommendation for Board approval;
- Review the Appraisal Department Procedures for recommendation to the Board for approval;
- Review the Committee's charter at least annually and recommend changes to the Board for its approval as appropriate;

- Perform a self-assessment of the Committee at least annually;
- Perform any other duties or responsibilities expressly delegated to the Committee by the Board or as may be referred by Management;

In addition, consistent with applicable law, regulations and other requirements, the Committee may delegate certain of its authority to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

Reporting of Committee Activities to the Board of Directors

The Committee shall report on its activities to the Board and, where appropriate, its recommendations for action to the Board at the next meeting subsequent to that of the Committee. Certain action by the Committee may be similarly reported to the Board for approval, ratification, and/or confirmation.

Committee Resources

In order to carry out the duties conferred upon the Committee by the Charter, the Committee is authorized to select, retain, terminate, and approve the fees and other retention terms of special or independent counsel, consultants, search firms, or other experts or consultants, as it deems appropriate in its sole discretion (each, a "Committee Adviser").

The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Committee Adviser retained by the Committee.

The Company shall provide the Committee appropriate funding, as determined by the Committee in its sole discretion, for the payment of reasonable compensation to Committee Advisers.

Approved by the Board: August 20, 2020