



Code of Business Conduct and Ethics

1. INTRODUCTION

This Code of Business Conduct and Ethics (the “Code”) of First Carolina Financial Services, Inc. and its direct and indirect subsidiaries, including First Carolina Bank (the “Bank”) (collectively, the “Company,” “we,” or “us”), is a resource to guide the Company’s affiliates, directors, officers, employees (whether permanent or temporary), independent contractors, agents, consultants, representatives and any other individuals or entities acting on the Company’s behalf (collectively, “Company Personnel”). This Code is designed to help Company Personnel uphold our values, make sound business decisions, and conduct themselves in alignment with the Company’s expected standards of behavior and practices while carrying out Company business, in the higher service of supporting the Company’s commitments to honest and ethical conduct, full, fair, accurate and timely disclosure, and compliance with laws, rules and regulations. Company Personnel who are unsure whether their conduct or the conduct of other Company Personnel complies with this Code should contact the Human Resources Department, or any member of the Nominating and Corporate Governance Committee (the “Governance Committee”) of the board of directors of the Company (the “Board”) or the Audit Committee of the Board (the “Audit Committee”). This Code is subject to change and may be amended, supplemented or superseded by one or more separate policies.

All Company Personnel are expected to be familiar with this Code and to adhere to those principles and procedures set forth in this Code, in addition to other policies adopted by the Company that apply to his or her relationship with the Company. Failure to comply with this Code will be investigated and may result in disciplinary action, up to and including termination or removal from a position with the Company. If necessary, the Company will report violations of this Code to the proper regulatory or law enforcement officials.

This Code is available to all Company Personnel through the Bank’s intranet, under *Policies*, and available through the Company’s website at www.firstcarolinabank.com.

2. HONEST AND CANDID CONDUCT

Company Personnel owe a duty to the Company to act with integrity. They are expected to be honest and fair in their interactions with customers, clients, vendors, suppliers, competitors, regulatory authorities and each other, while still maintaining the confidentiality of information when required or consistent with the Company’s policies. Company Personnel are expected to adhere to a high standard of business ethics, complying with all laws, rules, regulations, accounting standards and Company policies.

3. CONFIDENTIAL INFORMATION

During the course of their relationship with the Company, Company Personnel will learn and promulgate confidential or proprietary information about the Company and its customers.

Confidential information includes, but is not limited to, trade secrets and proprietary information relating to the details of the Company's business (e.g., banking, wealth management, lending, treasury services, deposit accounts, and other products and services), non-public personal information about current or potential customers, non-public financial or accounting data, budgets, forecasts, business plans, intellectual property, current and future products and services, marketing strategies, pricing and pricing strategies, investment plans and strategies, information on potential or ongoing acquisitions and transactions or strategic initiatives, or other information that is of a confidential nature about the Company and its customers. Confidential information of the Company, and of other companies, includes any non-public information that would be harmful to the relevant company or useful or helpful to competitors if disclosed. Any information not publicly shared by the Company should be presumed to be confidential in nature and should be protected from theft, loss, or unauthorized disclosure.

Confidential information shall not be disclosed, discussed, or made available to anyone outside of the Company. It should only be used for legitimate Company business purposes as necessary but never used for personal gain or benefit. Company Personnel must maintain the confidentiality of all information entrusted to them, except when disclosure is authorized by the Company or legally mandated. These obligations apply after any Company Personnel's employment, appointment or association with the Company ends; therefore, all confidential information is required to be returned to the Company upon the termination of the employment, appointment or association, to the extent feasible.

On a periodic basis, the Company is examined by its regulators. The reports that examiners furnish must remain the property of the regulatory agency and are strictly confidential. Information contained in the reports from the Company's regulators is privileged information and should not be communicated to anyone unless expressly authorized by the Board or senior management of the Company.

4. CONFLICTS OF INTEREST

Company Personnel are expected to use their judgment to act, at all times and in all ways, in the best interests of the Company while performing their job duties. As such, Company Personnel should attempt to avoid actual or apparent conflicts of interest. A "conflict of interest" occurs when the private interests of Company Personnel or their family members interferes or appears to interfere or is otherwise incompatible with the interests of the Company. A conflict of interest can arise when Company Personnel take actions or have interests that may make it difficult to perform their Company work objectively and effectively.

A conflict of interest may also arise from personal relationships with a customer, supplier, vendor, competitor, business partner, or other Company Personnel, if that relationship impairs or may be perceived to impair objective business judgment. Other specific areas of potential conflict of interest such as external business relationships, serving on boards, personal investments, gifts, entertainment, corporate opportunities and certain personal relationships with other Company Personnel are discussed in more detail below.

The best rule for any situation that appears to present a conflict of interest is to "abstain and disclose." If it is not possible to avoid participating in the event or activity creating the conflict,

(1) promptly disclose the potential conflict to the Company's Chief Operating Officer (the "COO"), Chief Legal Officer (the "CLO"), the Governance Committee or the Audit Committee and (2) avoid participating in decisions that might raise the appearance of a conflict until appropriate guidance is received from the COO, CLO, the Governance Committee or the Audit Committee. The COO, CLO, Governance Committee and the Audit Committee will consider the facts and circumstances of the situation to decide whether corrective or mitigating action is appropriate.

Some specific potential conflicts of interest to be mindful of are as follows:

- Outside Business Interests and Consulting Engagements: Company Personnel must obtain approval from the Governance Committee or the Audit Committee prior to beginning any employment, business, or consulting relationship with another company that is a current or potential competitor of the Company or that otherwise has a business relationship with the Company. In addition, any such employment or business relationship cannot otherwise violate Part 348 of the FDIC Rules and Regulations prohibiting a management official from serving two nonaffiliated depository organizations in situations where the management interlock likely would have an anticompetitive effect. Conducting Company business with family members or others with whom Company Personnel have a significant personal or financial relationship should be avoided without the prior approval of the Governance Committee or the Audit Committee.

The Company offers fiduciary services in the course of its business and routinely serves as executor, trustee or guardian of estates of individuals. Company Personnel may serve as fiduciaries for members of their own families, but should consult with the COO if requested to serve in a similar capacity for a non-related individual or estate before accepting the appointment. The COO will consult, as necessary, with the chair of the Bank's Trust Committee, the Trust department's leadership, and/or the CLO.

- Serving on Boards and Investing in Other Companies: We encourage Company Personnel to be active in industry and civic associations. However, Company Personnel who serve on boards of directors or advisory boards of any entity or organization are required, prior to acceptance, to obtain approval from the Governance Committee.
- Corporate Opportunities: Company Personnel may not exploit or take advantage of business opportunities that are discovered through the use of the Company's property, information, or position for personal gain unless the opportunity is disclosed fully in writing to the Company and the Company declines to pursue such opportunity.
- Gifts and Entertainment: Giving or receiving gifts or entertainment to or from a current or future client or business partner can potentially create a conflict of interest, especially if the value of the item is significant. Any gift or entertainment should comply with the guidelines outlined in the Company's Team Member Handbook, as the same may be updated from time to time.

5. DISCLOSURE

Company Personnel, including the Chief Executive Officer, the Chief Financial Officer and any senior accounting officers (the “Senior Financial Officers”) are required to be familiar with and comply with the Company’s disclosure controls and procedures and internal control over financial reporting for those duties within that officer’s area of responsibility. The Company requires Senior Financial Officers and other Company Personnel performing similar functions to provide full, fair, accurate, timely, and understandable disclosures in reports and documents that are filed with, or submitted to, the Securities and Exchange Commission (the “SEC”) and in other public communications made by the Company. All such disclosures must comply with applicable federal securities laws and SEC regulations.

Each Senior Financial Officer and any other Company Personnel involved with the disclosure process should be familiar with the Company’s Disclosure Controls and Procedures Policy.

6. COMPLIANCE WITH LAWS AND REGULATIONS

It is the Company’s policy that all Company Personnel comply with all applicable laws, rules and regulations in the course of the performance of their duties and responsibilities in connection with Company business. It is the personal responsibility of all Company Personnel to adhere to the standards and restrictions imposed by those laws, rules and regulations.

- Insider Trading: The Company requires all Company Personnel to comply with the Company’s Insider Trading Policy. Under the federal securities laws, it is generally illegal to trade in the Company’s securities or the securities of any other company while in the possession of material non-public information about the Company, its business, financial condition and results of operations or of any other company.

Company Personnel who are uncertain about the legal rules involving a purchase or sale of any Company securities or any securities in companies that he or she is familiar with by virtue of his or her work for the Company, should consult with the COO or CLO and the Company’s Insider Trading Policy before making any such purchase or sale.

- General Conduct: Company Personnel should not engage in criminal activity, dishonest behavior, or disgraceful conduct in public.
- Anti-Corruption / Anti-Money Laundering: Without limitation, Company Personnel must fully comply the Company’s anti-bribery policy, anti-corruption laws and anti-money laundering laws, as set forth in the Team Member Handbook and/or applicable Company policies. In addition, our internal controls and procedures are designed to ensure we “know our customers” and do not do business with prohibited parties. The Company adheres to risk-based “Know Your Customer” due diligence processes for prospective customers.

Company Personnel must follow the Company’s “Know Your Customer” procedures and rules on collecting and verifying information from our customers and related parties to ensure that they are involved in legitimate business activities and that their funds come from legitimate sources. Company Personnel should immediately escalate any signs of unusual activity,

potential money laundering or other illegal activities, and should refrain from participating on a personal or Company-business level in any such activities.

- Competition / Antitrust: In addition, Company Personnel must always abide by laws, rules and regulations related to competition (often referred to as “antitrust” laws). These types of laws generally prohibit agreements not to compete or that unreasonably restrain trade. Under these laws, Company Personnel (and by extension, the Company) must never collude with other companies on price or terms to be offered to customers, agree with competitors to allocate market or customers or to manipulate the bidding process.

Company Personnel should not provide, receive or exchange any of the following types of information with a competitor or its representative, whether in person, electronically or at an industry meeting:

- prices, costs, profits or margins;
 - bids, market share or distribution methods;
 - customers, suppliers or product lines;
 - terms or conditions of sale; and
 - sales, marketing or development strategies for products or services.
- Unfair, Deceptive or Abusive Acts or Practices: In an effort to be certain that the Company offers products and services which provide value to customers in a way that is fair and equitable, Company Personnel should report any product, service, or advertisement which in their opinion appears to be unfair, deceptive or abusive. Any such report should be submitted to management’s Compliance and Operational Risk Committee (or any successor committee), with escalation, as appropriate, to the Risk Oversight Committee of the Board.

7. FAIR DEALING

The Company does not seek competitive advantages through illegal or unethical business practices. Company Personnel should endeavor to deal fairly with the Company’s customers, service providers, suppliers, competitors and employees, and should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

Company Personnel should not use confidential or proprietary information acquired in the course of employment with another entity in furtherance of Company duties. Company Personnel should reveal the existence of non-solicitation, non-compete, confidentiality, or other similar agreements with former employers that serve to restrict any such person’s performance and responsibilities to the Company.

8. REPORTING AND ACCOUNTABILITY

Company Personnel are expected to act responsibly and exercise sound judgment with respect to matters involving Company finances. Transactions must be reflected in an accurate and timely manner. Destroying, altering, or falsifying financial statements or corruptive activities aimed to promulgate false entries are strictly prohibited. To the extent applicable, Company Personnel must ensure that the Company's financial reports and public and regulatory disclosures, as filed with or submitted to the shareholders and regulators or in other public communications, are full, fair, accurate, timely and understandable. In addition, non-financial records, including, but not limited to, minutes of meetings, must accurately and thoroughly reflect actual proceedings and events.

The Company is committed to the transparency and integrity of our publicly-filed financial reports and other communications.

The Audit Committee and the Governance Committee are responsible for applying this Code to specific situations in which questions are presented to either committee, and each committee has the authority to interpret this Code in any particular situation. Company Personnel who become aware of an existing or potential violation of this Code are required to notify the COO promptly. Failure to do so is itself a violation of this Code.

Any questions relating to how this Code should be interpreted or applied should be addressed to the COO and/or CLO. Company Personnel who are unsure of whether a situation violates this Code should discuss the situation with the COO promptly. Retaliation against reporting Company Personnel will not be tolerated by the Company and is a violation of this Code.

The Audit Committee or the Governance Committee, as applicable, will work with the COO and CLO to take all action they consider appropriate to investigate any violations reported to them. If a violation has occurred, the Company will take such disciplinary or preventive action as it deems appropriate, after consultation with the Audit Committee or the Governance Committee, as applicable, in the case of a director or executive officer, or the Chief Executive Officer, in the case of any other Company Personnel (although for the avoidance of doubt, any Company Personnel impugned for violating this Code will be excluded from having decision-making authority in such instances).

Upon being notified that a violation has occurred, the Board or Chief Executive Officer will take such disciplinary or preventive action as they deem appropriate, up to and including dismissal or, in the event of criminal or other serious violations of law, notification of appropriate governmental authorities.

9. BOOKS AND RECORDS

Company Personnel have an obligation to maintain the Company's business records, including financial records, in accordance with applicable laws, regulations, and the Company's record retention policies. Company Personnel are prohibited from knowingly destroying records relevant to pending or threatened litigation or governmental proceedings.

The Company requires financial reports, business records accounts, books, statements, and documents to be prepared and maintained in a manner that accurately reflects the financial

condition of the Company and in accordance with applicable accounting procedures. Company Personnel are prohibited from changing or otherwise altering the financial records or business records of the Company to mislead those who receive them or conceal any information. Further, no Company Personnel should encourage any other person to change or alter the financial records or business records of the Company or take any other action intended to fraudulently influence, coerce, manipulate, or mislead internal or external auditors or examiners during their review or audit of the Company's financial information and related records.

10. HARASSMENT

The Company does not tolerate unlawful harassment or any mistreatment by or of workers (including individual contributors, managers and contingent workers), guests, clients, or agency partners in the workplace or in a work-related situation on the basis of sex, race, color, nationality, ethnic or national origin, ancestry, citizenship, religion (or belief, where applicable), age, physical or mental disability, medical condition, sexual orientation, veteran status, marital status, genetic information or characteristics (or those of a family member), or any other category protected under applicable federal, state or local law. If you suspect harassment, discrimination, or retaliation has occurred, you are encouraged to promptly provide a written or oral complaint to the Human Resources Department, COO or CLO, who shall consult as appropriate with the Governance Committee or the Audit Committee.

11. COMMUNICATIONS

Company Personnel should take care to ensure that all business records and communications are clear and accurate. All business communications may be shared or become public through litigation, government investigation, or publication in the media. Potential risks from inaccurate or misleading statements include claims of false advertising, misrepresentation, breach of contract, securities fraud, unfair disclosure and antitrust violations. You must consult with Investor Relations before making formal statements or providing information about the Company, our business and fellow Company Personnel through any public forum. All Company Personnel must comply with the Company's Regulation FD Policy when making any communications.

You may not give an endorsement or other statement on behalf of the Company or personal endorsement that identifies your affiliation with the Company, except when approved by Investor Relations. In addition, you may not discuss the Company's business, including financial condition, business or financial performance, products, or business prospects with financial analysts or actual or potential investors without the prior approval of Investor Relations. All requests for a representative of the Company to participate in a financial conference (including speaking on a panel, or attending a dinner or any event that targets the financial community) must be referred to Investor Relations for review and managing. If any such analysts or investors contacts a Company Personnel, such person shall refer such inquiries to our Investor Relations team.

12. INTERACTIONS WITH AUDITORS, REGULATORS AND LEGAL COUNSEL

Company Personnel are required to respond honestly, fully and candidly when dealing with the Company's independent and internal auditors, regulators and attorneys. Company Personnel should raise any concerns immediately if they become aware of actions, transactions, accounting or reporting that are inconsistent with our values and the protection of the Company's reputation. Company Personnel are expected to comply with all Company policies and applicable laws, rules and regulations relating to the preservation of documents and records, in particular those known to be relevant to a pending or reasonably foreseeable litigation, audit, examination or investigation.

13. AMENDMENT AND WAIVERS

Any amendment or waiver of any provision this Code must be approved by the Governance Committee or the Audit Committee and promptly disclosed as may be required pursuant to applicable laws and regulations. Notwithstanding the foregoing, the Audit Committee or Governance Committee may grant waivers under this Code for Company Personnel, in coordination with the CLO and such external legal counsel as the Audit Committee or Governance Committee, as applicable, deem appropriate.

All waivers or modifications to this Code shall be disclosed to shareholders as required by applicable law or the rules of the stock exchange on which the Company's common stock is listed for trading.