

<u>CREDIT & RISK COMMITTEE CHARTER</u> CoastalSouth Bancshares, Inc. Coastal States Bank	<i>Board Approved: May 28, 2025</i> <i>Last Revised: May 19, 2025</i> <i>Accountability: Board of Directors & Credit & Risk Committee</i>
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The Credit & Risk Committee (the “Committee”) operates as a joint committee of the Board of Directors (the “Board”) of CoastalSouth Bancshares, Inc. (the “Company”) and Coastal States Bank (the “Bank”), and serves as the credit & risk committee of the Company and the Bank.

I. PURPOSE

The purpose of the Committee is to discharge the Board’s responsibilities relating to overseeing the enterprise-wide risk management practices of the Company, the Bank, and their respective subsidiaries, including management’s ability to assess and manage credit, market, interest rate, liquidity, reputation, strategic, legal, compliance, and operational risks (which includes information technology risk).

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention, with full access to all books, records, facilities, and personnel of the Company and the Bank and the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms.

II. ORGANIZATION/COMPOSITION

The Committee shall be members of, and shall be appointed by, the Board and shall consist of at least three non-management directors of the Board. The Committee’s membership, including requirements for the Chairperson, shall satisfy any requirements established pursuant to Section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and rules of the Federal Reserve Board promulgated thereunder and any other applicable laws, rules and regulations as they are in effect from time to time.

Any Committee member may be removed by the Board at any time at its discretion. Vacancies on the Committee shall be filled by the Board. A member of the Committee may resign from membership of the Committee by delivering his or her written resignation to the Chairperson of the Board. Any such resignation shall take effect upon delivery of such resignation or at any later time specified therein. Unless otherwise specified in the resignation, the acceptance of such resignation shall not be necessary to make it effective.

Unless a Chairperson is elected by the Board, the members of the Committee may designate a Chairperson by majority vote of the full Committee membership. The term of appointment shall be at the discretion of the Board with a goal of maintaining continuity and providing proper perspective.

The Committee shall evaluate its performance and the performance of its members at least annually to determine whether it is functioning effectively.

III. MEETINGS

The Committee will hold meetings at least quarterly, either in person or via conference call, and may hold additional regular or special meetings as its members deem necessary or appropriate.

All meetings and other actions by the Committee shall be held or taken pursuant to the bylaws of the Company, including bylaw provisions governing notices of meetings and waiver thereof, the number of Committee members required to take actions at meetings or by written consent, and other related matters. A Committee member should not vote on any matter in which he or she is not independent. The Committee may ask members of management or others to attend the meeting and is authorized to receive all pertinent information from management. The Committee is encouraged to meet in executive session, including with its advisors, as it deems necessary or appropriate. The Committee will either submit the minutes of all meetings of the Committee to the Board or discuss material matters discussed at each Committee meeting with the Board.

IV. RESPONSIBILITIES AND DUTIES

The primary responsibility of the Committee is to oversee the enterprise-wide risk management practices of the Company, Bank, and/or their respective subsidiaries. The Committee shall establish, review, evaluate, approve, and monitor management's risk management programs and policies. Further, the Committee should review and discuss management's assessment of risk and management's plans for risk control or mitigation and should ensure that risks are managed within tolerance levels of the Company.

The Committee shall identify and review any areas of risk or potential risk as it deems appropriate and provide management guidance on any areas of significant risk exposure. The Committee should endeavor to provide an open avenue of communication between management and the Board to effectively manage risks. The Committee may request management to supply such other information as the Committee may request from time-to-time, and the Committee may assume such additional responsibilities as may be reasonably necessary or prudent to fulfill the duties of the Committee.

Without limiting the foregoing, the Committee shall provide guidance on strategies and practices that pertain to the management of (a) market, treasury, asset-liability and related financial management risk; (b) credit and asset quality risk; and (c) operational risk (which includes information technology and cyber-security risk).

A. Market, Treasury, Asset-Liability and Related Financial Management Risk

The Committee shall receive and evaluate information relating to asset and liability management such as (i) the liquidity position of the Company; (ii) the sensitivity of the Company's earnings under a reasonable range of interest rate scenarios; (iii) the status of the securities and

derivatives portfolio; (iv) strategies and position of the Company's interest rate risk and balance sheet management; and (v) counterparty exposure monitoring and reporting.

In addition, the Committee shall review reports and monitor management's capital and liquidity management efforts, with a goal of providing reasonable assurance that the Company holds sufficient capital and liquidity in light of applicable statutory and legal requirements, current and planned business activities and strategies, and established policy limits and operating guidelines.

B. Credit and Asset Quality Risk

(1) Independent Credit and Loan Review

The Committee will oversee and review the Company's independent credit and loan review function, including the adequacy of staffing and compensation; the independence and authority of its reporting obligations; the proposed plans for upcoming credit and loan reviews; and the coordination of such plans with management. The Committee will review and approve management's appointment, termination, or replacement of any firm contracted to oversee the independent credit and loan review function.

The Committee shall provide sufficient opportunity for the independent credit and loan review consultant or team to meet privately with the members of the Committee. The Committee shall review with the independent credit and loan review consultant or team any material problems or difficulties identified by the reviewer and management's response. On a periodic basis the Committee shall receive copies of completed credit and loan review reports or a summary of findings from completed reviews and progress reports on any proposed credit and loan review plans, with explanations for any material deviations from the originally proposed plan.

(2) Preliminary Loan Review and Approval

To the extent Company or Bank policy or regulatory requirements require Board review and approval of individual loans that meet or exceed identified lending thresholds or legal lending limits, when any proposed credit may potentially implicate Regulation O of the Federal Reserve Board, or as otherwise may be requested by management from time-to-time, the Committee shall endeavor when possible and appropriate to engage in a detailed preliminary review of any such proposed credit and provide a recommendation to the Board as to the Committee's preliminary approval or denial of such credit, including an explanation of any pre-conditions to such approval or denial.

C. Operational Risk

The Committee shall oversee and review management reports on various aspects of operational risk, including risks related to Bank and line of business operations; information technology and systems; data management and information security (including cyber-security); and third-party and vendor-management risk. The Committee shall further oversee and review management reports related to management's strategies for mitigating various operational risks, including the adequacy of the Company's business continuity and disaster recovery planning, fraud control efforts, and physical and data security strategies. The Committee shall additionally review

the adequacy of the Company and Bank's insurance program, including the financial institutions bond, property and casualty coverage, and professional director and officer liability coverages, and make recommendations to the Board from time-to-time as necessary related to the approval and/or modification of any such coverages.

V. SUBCOMMITTEES

The Committee may form, and delegate authority to, subcommittees comprised of one or more members of the Committee as appropriate. Each subcommittee shall have the full power and authority of the Committee as to matters delegated to it.

VI. ANNUAL EVALUATION

Board approval of this Committee Charter shall be deemed a delegation of authority to the Committee with respect to the responsibilities set forth herein. The Committee shall review and reassess this charter at least annually and seek the approval of the Board for any recommended modifications.