



CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

I. PURPOSE:

This charter ("Charter") of the Audit Committee (the "Committee") has been adopted and approved by the Board of Directors (the "Board") of Primis Financial Corp. (the "Company"). The primary role of the Committee is to oversee the Company's accounting and financial reporting and disclosure process and financial statement audits and to fulfill its responsibility to stockholders with respect to its oversight of:

- i. The quality and integrity of the Company's financial statements, including matters relating to the Company's internal accounting controls, disclosure controls and procedures and internal control over financial reporting;
- ii. The Company's compliance with legal and regulatory requirements, including those promulgated by the Securities and Exchange Commission (the "SEC"), the NASDAQ Stock Market ("NASDAQ") and the Board of Governors of the Federal Reserve (the "Federal Reserve");
- iii. The Company's independent registered public accounting firm's ("Independent Auditors") appointment, compensation, qualifications and independence;
- iv. The performance of the Company's internal audit function and Independent Auditors; and
- v. The Board's risk management function.

It is the responsibility of the Committee to provide an open avenue of communication between the Committee, the Board, management, the Chief Audit Executive ("CAE"), the Chief Risk Officer ("CRO"), and the Independent Auditors. The Committee may adopt such policies and procedures, as it may deem necessary or appropriate, to carry out its responsibilities under this Charter.

I. COMPOSITION:

The Committee shall be comprised of at least three directors of the Company, in good standing, as determined by the Board, each of whom must be "independent" as defined by NASDAQ Rule 5605(a)(2), Rule 10A-3 under the Securities and Exchange Act of 1934 and Section 301 of the Sarbanes Oxley Act of 2002 ("SOX"). The members of the Committee shall be appointed by the Board and shall serve for such term or terms as the Board may determine, or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause. The Board will designate the chair of the Committee.

All members of the Committee shall be literate with respect to and understand fundamental financial statements, including the Company's balance sheet, income statement and statement of cash flows at the time of appointment. In order to comply with Section 407 of SOX, at least one member of the Committee shall have significant and material accounting, auditing, or related financial management expertise and be designated as the "audit committee financial expert". The members should collectively possess sufficient knowledge of audit, information technology, law, governance, risk, and control.

All directors of the Company who are not members of the Committee may generally attend meetings of the Committee but may not vote on any matter coming before the Committee for a vote. Additionally, the Committee may invite to its meetings any director, member of management of the Company, 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.

I. MEETINGS AND REPORTING:

The Committee shall meet as often as necessary to carry out its responsibilities, but not less than once each quarter. The Board shall designate a member of the Committee as the chairperson of the Committee, who shall preside at all meetings of the Committee and shall ensure that the Committee has a written agenda for its meetings. The chairperson of the Committee shall report on any Committee meeting held at the next regularly scheduled Board meeting following the Committee meeting. The Committee shall meet, in executive sessions, with internal auditors, the Independent Auditors, and any member of management or any other persons as it deems appropriate in order to carry out its responsibilities. The Committee shall meet on a regular basis, separately with management, to discuss any matters the Committee or management believes should be discussed privately.

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 the Committee's meeting. Certain actions by the Committee may be similarly reported to the Board for approval, ratification, and/or confirmation. Included in the Committee's reporting to the Board, the Committee shall report any material issues that arise with respect to the quality or integrity of the Company's financial statements, regulatory, compliance, and legal requirements, the performance and independence of the Independent Auditors, and the performance and independence of the Internal Audit and risk management functions.

I. AUTHORITY:

The Committee shall have the sole authority to appoint, determine funding for, retain, evaluate, terminate and oversee the work of the Independent Auditors. The Committee shall be directly responsible for the compensation and oversight of the work of the Independent Auditors (including resolution of disagreements between management and the Independent Auditors regarding financial reporting and other matters) for the purpose of preparing or issuing an audit report or related work. The Independent Auditors shall report directly to the Committee.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate. The Committee shall have unrestricted access to members of management, employees, and any relevant information it considers necessary to discharge its duties. The Committee will also have unrestricted access to records, data, and reports. The Committee may retain independent counsel, independent accounting firms or other external advisors, and professional service providers as it determines necessary to carry out its duties.

The Committee shall pre-approve all auditing services, internal control related services, and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent registered public accounting firm, subject to the de minimis exception for non-audit services that are approved by the Committee prior to the completion of the audit. The Committee may establish pre-approval policies and procedures in compliance with applicable SEC rules.

I. DUTIES AND RESPONSIBILITIES:

A. Audit Committee Process and Procedures:

1. The Committee shall conduct itself in accordance with the code of values and ethics of the Company.
2. Review this Charter annually, consider changes that are necessary as a result of new laws or regulations, and recommend any proposed changes to the Board.
3. Review and approve the Internal Audit charter annually. The charter should be reviewed to ensure that it accurately reflects the internal audit activity's purpose, authority, and responsibility consistent with the IIA's International Professional Practices Framework.
4. The Committee shall meet each time the Company proposes to release its quarterly or annual earnings information, including earnings press releases, as well as financial information and earnings guidance provided to analysts, to review and discuss such information with the Company's Chief Financial Officer ("CFO"). Discuss with management the Company's use of any non-GAAP financial metrics in earnings releases, SEC filings and investor presentations. These meetings may be combined with regularly scheduled meetings, or more frequently as circumstances may require.
5. Ensure Committee meeting minutes are prepared and reported to the Board, as well as any other reports or information deemed necessary by the Committee, or as required by the Board, to facilitate communication and oversight responsibilities.
6. Provide for direct, complete, and open communication among the Independent Auditors, management, the Internal Audit department, and the Board.
7. Review and ensure the proper development and implementation of a certification process over internal controls and compliance with related Sarbanes Oxley Section 404 attestations.
8. Periodically review the Company's Code of Ethics to ensure that it is adequate and up-to-date.
9. Review with the CAE and CRO the results of their review of the monitoring of compliance with the Company's Code of Ethics and Whistleblower programs.
 - Establish the procedures for the receipt, retention, and treatment of complaints received by the Company regarding illegal or unethical behavior, violations of law, regulation, rule or policy of the Company, regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters (Whistleblower Policy).
 - Review any complaints that might have been received, their current status, and their resolution if one has been reached.
1. Ensure compliance with legal and regulatory requirements for financial reporting and auditing of financial statements issued by the SEC, Financial Accounting Standards Board (FASB), Public Company Accounting Oversight Board (PCAOB), NASDAQ, and the Federal Reserve.
2. Review its effectiveness and fulfillment of its responsibilities under this Charter and applicable laws and regulations by conducting an annual self-assessment.

A. Oversight of the Financial Reporting Process:

1. Appoint the independent accounting firm to be engaged by the Company, establish compensation and oversight of all work of the independent accounting firm, including pre-approval of any non-audit services provided by the Independent Auditors, including tax services, before the services are rendered.
2. Obtain from the Independent Auditors a formal written statement delineating all relationships between the independent registered public accounting firm and the Company.
3. Meet with the Independent Auditors prior to the commencement of audit fieldwork to discuss the planning and staffing of the audit.
4. Review and evaluate, at least annually, the performance of the Independent Auditors and review with the Board any proposed discharge of the Independent Auditors.
5. Review and evaluate the lead partner of the Independent Auditors. Ascertain that the lead and concurring audit partners from the Independent Auditors performing independent financial statement audit services, serve in that capacity for no more than five fiscal years of the Company. In addition, ascertain that any partner other than the lead or concurring partner serves no more than seven years at the partner level on the Company's financial statements audit.

6. Obtain and review at least annually a report by the Independent Auditors describing the Independent Auditor's internal quality-control procedures, and any material issues raised by the most recent internal quality-control review or peer review of the independent accounting firm.
7. Establish policies concerning the Company's hiring of employees or former employees of the Independent Auditor, as required by law and by NASDAQ.
8. Review with the Independent Auditors, the CAE, and CRO:
 - The adequacy of the Company's internal controls including computerized information system controls and security; and
 - Any related significant findings and recommendations of the Independent Auditors together with management's responses thereto including the timely remediation of any corrective action required.
1. Review with management and the Independent Auditors the effect of any new regulatory and accounting initiatives.
2. Oversee the preparation of an annual report of the Committee as required by the rules of the SEC and the annual affirmation required by the appropriate listing exchange, if necessary. When required by SEC rules, include in the Company's annual proxy statement a report of the Committee in accordance with the proxy rules promulgated by the SEC.
3. Review and discuss with management, the Independent Auditors, and the CAE, the Company's annual audited financial statements, including reviewing the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and interim financial statements, including the results of the Independent Auditor's review of the quarterly financial statements and including reviewing the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" before they are filed on Form 10-K or Form 10-Q with the SEC or other regulators.
4. Review with the Independent Auditors that perform the financial statements audit:
 - All critical accounting policies and practices used by the Company.
 - All alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management of the Company, the ramifications of each alternative, and the treatment preferred by the Company.
1. Review all material written communications between the independent accounting firm and Management, such as any management letter or schedule of unadjusted differences.
2. Review and discuss with management and the Independent Auditors:
 - The Company's annual financial statements and related footnotes;
 - The Independent Auditor's audit of the financial statements and their report thereon;
 - The Independent Auditor's judgments about the quality, not just the acceptability, of the Company's accounting principles as applied in its financial reporting;
 - Any significant changes required in the Independent Auditor's audit plan;
 - Significant accounting and financial reporting issues, including complex or unusual transactions and judgments concerning significant estimates or significant changes in the Company's selection or application of accounting principles;
 - Recent professional, accounting and regulatory pronouncements and initiatives, and understand their impact on the Company's financial statements;
 - Any difficulties or disputes with management encountered during the audit, any restrictions on the scope of activities or access to requested information; and
 - Matters required to be discussed to the Committee by the Independent Auditors under GAAP, including matters required to be disclosed PCAOB Auditing Standards No. 16.
1. Review with the CRO and CAE any legal and regulatory matters that, in the opinion of management, may have a material impact on the financial statements, related compliance policies, and programs and reports received from regulators.
2. Oversee the adequacy of the Company's system of internal controls, including reviewing and discussing disclosures made to the Committee by management during their certification process for the Form 10-K and Form 10-Qs about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and for compliance with SOX Section 404 attestations.

A. Oversight of the Internal Audit and Risk Management Functions:

1. Review and concur in the appointment, replacement, performance, reassignment, or dismissal of the CAE and CRO.
2. Ensure activities are conducted in accordance with professional standards, such as the Institute of Internal Auditors' (IIA) *Standards for the Professional Practice of Internal Auditing*.
3. Inquire of management, the CRO, CAE, and the Independent Auditors about significant risks or exposures facing the Company, including operational risk; assess the steps management has taken or proposes to take to minimize such risks to the Company; and periodically review compliance with such steps.
4. Obtain regular updates from management and Company counsel regarding legal matters that may have a significant impact on the Company's financial statements.
5. Discuss with management exposures and the steps taken by management to monitor and control exposures relating to: (i) litigation risk, (ii) reputational risk related to the Committee's responsibilities in this Charter, (iii) credit risk, including the level and adequacy of the allowance for credit losses and compliance with applicable policies, limits, activities and procedures and (iv) capital adequacy.
6. Review with the CAE, CRO, and management, the audit scope and plan of the Internal Audit department. Address the coordination of audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
7. Review with the CRO, and management, the scope and testing plan of the Compliance department and any significant changes thereto.
8. Review with management, the CAE and CRO:
 - Significant findings on internal audits or other outsourced audits or reviews, during the year and management's responses thereto, including timing of any required corrective action and remediation.
 - Any difficulties the internal audit team or others encountered in the course of their review, including any restrictions on the scope of their work or access to required information.
 - Any changes required in the scope of their internal audit or other work.
 - The Internal Audit and Risk Management department budget and staffing requirements to ensure that these functions are appropriately staffed with qualified individuals and have the resources necessary to carry out their appointed responsibilities.

It is not the duty of the Committee to plan or conduct audits, to determine that the financial statements are complete and accurate and are in accordance with generally accepted accounting principles, to conduct investigations, or to ensure compliance with laws and regulations of the Company's internal policies, procedures, and controls. This is the responsibility of management. The Committee relies on the expertise and knowledge of Management, the CFO, CAE, CRO, and the Independent Auditors, among others, in carrying out its oversight responsibilities.