

## FIRST FOUNDATION INC.

### CHARTER OF THE DIRECTORS' RISK COMMITTEE

#### I. Purpose

The purpose of the Directors' Risk Committee (the "**Committee**" or "**Risk Committee**") of the Board of Directors (the "**Board**") of First Foundation Inc. is to oversee the risk areas of the organization, including the enterprise risk management ("**ERM**") program of First Foundation Inc. and its subsidiaries (collectively, the "**Company**"). The Committee's principal functions are to:

- Oversee the design and implementation of the Company's risk programs;
- Monitor and review the Company's ERM framework and risk appetite for risks associated with credit, interest rates, liquidity, operations, technology, compliance, strategy, and reputation, as well as certain areas of the Company, such as Trust, Wealth Management, and Mortgage; and
- Monitor and review the adequacy of the Company's risk functions;

The Committee will assist the Board and its other committees that oversee specific risk-related issues and serve as a resource to management. The Committee will also undertake those specific duties and responsibilities listed below, as well as such other duties as the Board from time to time may prescribe.

#### II. Membership

**A. Appointment of Committee Members.** The Committee shall consist of at least three members of the Board. The members of the Committee shall be appointed by and will serve at the discretion of the Board. The Chairman of the Committee also shall be appointed by the Board. Committee members may be removed, without cause, by the affirmative vote of the majority of the Board of Directors at any time. Any Committee member may resign effective upon giving oral or written notice to the Chairman of the Board, the Corporate Secretary or the full Board of Directors (unless the notice specifies a later time for the effectiveness of such resignation). Vacancies occurring on the Committee shall be filled by the Board.

**B. Independence Requirements.** Each member of the Committee shall (1) be an "independent director" as defined under the listing standards of the New York Stock Exchange ("**NYSE**"), and (2) be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member. In addition, the Chairman of the Committee must not be a member of the "immediate family" (as defined in Regulation Y of the Federal Reserve Board) of any person who is or has been in the last three years an "executive officer" (as defined in Regulation O of the Federal Reserve Board).

**C. Additional Risk Committee Membership Requirements.** At least one member of the Committee shall have experience in identifying, assessing, and managing risk exposures of

*Approved by the Board of Directors on August 29, 2023*

large, complex firms (risk management experience in nonbanking or nonfinancial firms may fulfill this requirement). At least one member of the Committee shall simultaneously also serve on the Audit Committee of the Board.

### **III. Responsibilities and Authority**

The following are general guidelines establishing the responsibilities and authority of the Committee. This list is not intended to be exhaustive and, subject to the approval of the Board, the Committee may modify the list as appropriate, establishing policies and procedures as required or recommended to meet its purposes and carry out its principal functions.

#### **A. Oversight of Enterprise Risk**

To carry out its purposes, the Committee shall have the following duties and responsibilities:

1. Review the Company's ERM framework at least annually to ensure it is commensurate with the Company's size, complexity and risk profile.
2. Receive presentations and other information to understand the significant risks to which the Company is exposed and the effectiveness of the Company's ERM function.
3. Oversee and provide strategic direction to management for developing and maintaining risk appetite guidelines by risk type, and annually approve such guidelines.
4. Review the Company's risk profile for alignment with the Company's strategic objectives and risk appetite guidelines.
5. Review and approve significant risk management policies recommended by the Company's management.
6. Consider and provide advice to the Board, when appropriate, on the risk impact of any strategic decision the Board may be contemplating, including considering whether any strategic decision is within the established risk appetite guidelines.
7. Monitor management's implementation of operations and technology risk, including, physical security, cybersecurity, information security, business continuity and disaster recovery programs.
8. Monitor management's implementation of the Company's financial crimes compliance programs, including reviewing policies, risk assessment results and monitoring efforts (e.g., BSA/AML/OFAC metrics).
9. Review the status of any pending or threatened legal matters that could have a significant impact on the Company's business, operations, financial statements or reputation.

*Approved by the Board of Directors on August 29, 2023*

10. Review the amount, nature, characteristics, concentration and quality of the Company's credit-related and liquidity risks. Significant exposures will be monitored through reports presented to the Committee and will include reporting of significant exceptions to risk policies and trends in portfolio quality (credit and position risk), liquidity and market risk.
11. Provide oversight of the Risk Management Department, including, but not limited to, reviewing the independence, authority, and staffing of the ERM function; assessing, at least annually, the effectiveness of the Risk Management Department and Chief Risk Officer; and consulting in the appointment, compensation and dismissal of the Chief Risk Officer.
12. Provide a forum for the Chief Risk Officer to raise any risk issues or issues with respect to the relationship and interaction between the Risk Management Department and the Company's senior management, Internal Audit Department, stockholders or regulators.
13. Review the amount nature, characteristics, concentration and quality of the Company's credit-related risks. Significant exposures will be monitored through reports presented to the Committee and will include reporting of significant exceptions to risk policies and trends in portfolio quality (credit and position risk) and market risk.
14. Oversee the credit review function.
15. Annually review and approve the credit review plan, including proposed scopes, engagement letters, statements of work, and applicable credit review policies.
16. Oversee the independence of the credit review function from management.
17. Review examination reports of the Board of Governors of the Federal Reserve System, California Department of Financial Protection and Innovation, Federal Deposit Insurance Corporation, Consumer Financial Protection Bureau, and/or any other federal or state banking regulatory agency with authority over the Company and any responses prepared by management to the findings and/or recommendations made in examination reports.
18. Monitor the Company's Community Reinvestment Act effort.
19. Review significant pronouncements and changes to key regulatory requirements relating to the Company's risk management activities.
20. Review the adequacy of, and approve, the Company's insurance coverage related to professional liability and property and casualty, and periodically reviewing coverage renewals and trends.
21. Monitor and review risk assessments for new products, services, and vendors, where applicable.
22. Oversee the vendor management function.
23. Review fraud activity/losses.

*Approved by the Board of Directors on August 29, 2023*

24. Monitor the bank's consumer compliance management program.
25. Monitor the wealth management firm's compliance program.
26. Review and approve any other matters related to risk management or compliance as required by the Company's regulators.

To the extent any of these duties or responsibilities is fulfilled by an action of the full Board or another authorized committee of the Board, such shall serve as satisfaction of the Committee's duty or responsibility.

In carrying out its responsibilities, the Committee's procedures and practices should remain flexible in order to best react to changing conditions and circumstances.

#### **B. Annual Review of Charter**

The Committee shall review and assess the adequacy of this Charter at least annually and recommend to the Board any amendments or modifications to the Charter that the Committee deems appropriate.

#### **C. Additional Risk Committee Authority**

The Committee is authorized, on behalf of the Board, to do any of the following, as the Committee deems necessary or appropriate in its discretion:

1. Review and evaluate the Committee's composition and performance on an annual basis and present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.
2. Form and delegate authority to subcommittees consisting of one or more of its members as the Committee deems appropriate to carry out its responsibilities and exercise its powers; provided that the Committee will ultimately be responsible for the decisions made and actions taken by any such subcommittee.
3. In its sole discretion, directly engage, appoint and oversee such independent legal and other advisors as it deems necessary or advisable to carry out its responsibilities and powers, and determine the compensation or fees payable to such counsel or other advisors.
4. Rely upon advice and information that it receives in its discussions and communications with management, the independent auditors and such advisors as may be consulted by the Committee.
5. Request that any officer or employee of the Company, the Company's outside legal counsel, the Company's independent auditors, or any other advisor retained by the Company, attend meetings of the Committee or any subcommittee thereof, or meet with any members of or other advisors to the Committee.

*Approved by the Board of Directors on August 29, 2023*

6. Perform other activities which are consistent with this Charter, the Company's Certificate of Incorporation, Bylaws and corporate governance policies (each as amended from time to time), or otherwise required by applicable laws, rules, regulations and NYSE listing standards.

7. Have the authority to direct and supervise any investigation into any matters within the scope of its responsibilities and, in connection therewith, have access to Company personnel and documents relevant to any such investigation.

8. Incur such expenses as are necessary or appropriate in carrying out its duties.

9. Perform such other functions as may be requested by the Board from time to time.

10. With respect to any authority or responsibilities granted to the Committee by this Charter, in lieu of making a final determination with respect thereto, make a recommendation to the full Board for its final approval thereof.

#### **IV. Meetings and Procedures**

The Committee will meet at least once per quarter or more frequently, as deemed appropriate by the Committee or its Chairman. The Committee will regularly report to the Board on significant matters related to the Committee's responsibilities and as requested by the Board with respect to other matters. A quorum of the Committee for the transaction of business will be a majority of its members. Meetings may be held in person, telephonically, and/or by video conferencing. The Committee may also act by unanimous written consent in lieu of a meeting, including through electronic communications as permitted under the Company's Bylaws. The Committee shall also meet separately, and periodically, with management and representatives of the Company's independent auditors, and shall invite such individuals to its meetings as it deems appropriate, to assist in carrying out its duties and responsibilities. The Committee will maintain written minutes of its meetings and will make such minutes available to the Board.

#### **V. Limitations on Risk Committee Responsibilities**

Notwithstanding the responsibilities and powers of the Committee set forth in this Charter, the Committee is not responsible for the design, implementation or maintenance of the Company's ERM framework. Such responsibilities are those of management. Each member of the Committee is entitled to rely on the integrity of those persons and organizations within and outside the Company that provides information to the Committee and the accuracy and completeness of the financial and other information provided to the Committee by such persons and organizations absent actual knowledge to the contrary.

*Approved by the Board of Directors on August 29, 2023*