



BOARD RISK COMMITTEE CHARTER

July 28, 2022

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I. PURPOSE AND AUTHORITY

The Board of Directors (the “Board”) established the Board Risk Committee (“BRC” or the “Committee”) to direct and oversee Hope Bancorp Inc.’s (“Company”) and its wholly owned subsidiary, Bank of Hope’s (collectively referred to herein as the “Company”) risk management program and Asset/Liability Management (“ALM”). The BRC has the delegated authority and the responsibility to oversee and approve the Company-Wide risk management practices and ALM.

In carrying out its duties and responsibilities, the BRC shall also have the authority to meet with and seek any information it requires from employees, officers, directors, or external parties.

The BRC will primarily fulfill its responsibilities by carrying out the activities delineated in Section 4 of this charter.

II. MEMBERSHIP & CHAIRMAN

Chairmanship:

The BRC will be chaired by an independent director who is not an officer or an employee of the Company during the previous three years, and is also not a member of the immediate family of a person who is, or has been an executive officer of the Company within the last three years.

Membership:

Committee membership will be approved annually by the Board. BRC membership must include at least one “risk-expert” member having experience in identifying, assessing, and managing risk exposures of large, complex firms.

The committee shall consist of no fewer than five (5) members recommended by the Board. Committee members will be selected from those members of the Board who possess familiarity with overall compliance and risk management principals.

The Chief Risk Officer reports directly to the Board Risk Committee and shall serve as Committee Secretary to attend and take minutes of the meetings. Any member or the Chief Risk Officer may invite any other directors or officers of the Company to make presentations to the Committee from time to time. If desired by or acceptable to the Committee, any other persons, whose advice, and counsel are sought by the BRC, may also be present at any meeting.

At any scheduled BRC meeting, the Chairman of the Committee may call for an executive session of the BRC with the Chief Risk Officer, absent members of Management.

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III. STRUCTURE AND MEETINGS

BRC Meetings will occur subject to the following guidelines:

- A. Frequency: At least quarterly, and as needed.
- B. Methods: Meetings may be held in person, by telephone, by videoconference or similar means by which all members may participate and hear all others.
- C. Quorum: A majority of all members, but not less than four members, inclusive of BRC Chairperson, shall constitute a quorum for the BRC meeting and the transaction of business.
- D. Notice of Meetings and Materials: The BRC meeting agenda and reporting packages and presentations for each meeting shall be delivered in advance of each meeting to all members of the Committee.
- E. Calling Special Meetings: The Chairperson or any two members may call special meetings.
- F. Minutes: The Committee will maintain written minutes of its meetings; minutes will be maintained with the books and records of the Company.
- G. Ongoing Training: The BRC will provide its members with annual continuing education opportunities and customized training focusing on topics such as leading practices regarding risk governance and oversight and risk management.

IV. DUTIES AND RESPONSIBILITIES

The Committee shall perform the duties set out in this Charter and shall perform such other duties as needed or appropriate under the applicable regulations and laws or when delegated by the Board of Directors:

- A. Set the appropriate tone and develop the culture of enterprise risk management, promote open discussions regarding risk, integrate risk management into the organization's goals and compensation structure, and create a corporate culture such that people at all levels manage risks.
- B. Oversee enterprise risk management to ensure the interrelatedness of risk is identified and measured across all areas of the Company's operations.
- C. Oversee enterprise risk exposures for all identified risk categories: Credit, Compliance (Regulatory and BSA/OFAC), Liquidity, Market, Human Resources (HR), Information Technology (IT) and Information Security (IS), Legal, Operational (Model Risk, Vendor Risk, Data Governance Risk, Fraud Risk and Environmental Social and Governance), Reputation, and Strategic risks via

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standardized risk reporting to ensure appropriate risk identification, measurement, monitoring and control.

- D. Oversee the implementation of an effective process for managing the Bank's interest rate, liquidity, capital, and market risks related to the Bank's balance sheet and associated activities, and the related policies and procedures.
- E. Review and approve the Enterprise Risk Management ("ERM") Framework and applicable policies established for each enterprise risk category.
- F. Receive and consider the key enterprise risk exposures and issues associated with the Company's entry into new products or geographies.
- G. Review and approve for full Board ratification of the Risk Appetite Statement and risk limits at least annually, and as needed. The Chairperson of the BRC shall:
 - i. Preside over BRC meetings
 - ii. Set the agenda for each BRC meeting, conferring with Management
 - iii. Determine the frequency of BRC meetings, at least quarterly per year
 - iv. Determine certain issues for escalation to the full Board (including cross-referencing issues with other committees of the Board)
- H. Review and approve risk limit breaches and courses of action
- I. Provide updates of material proceedings to the full Board and recommend for approval/ratification as needed.
- J. Receive reports concerning the enterprise-wide risk and control self-assessments conducted throughout the Bank. The RCSA framework should assess the nature, likelihood, and materiality impact of the risks, as well as the completeness and adequacy of the risk management framework
- K. Provide clarity of authority and responsibility when necessary. The BRC shall be the arbiter of disputes.
- L. Interface with the Audit Committee to provide continuity of risk assessment and risk management. The Chairperson of the Bancorp Audit Committee shall be concurrently a member of the BRC.
- M. Review BRC Charter at least annually, and as needed. Submit BRC Charter to the Board for ratification
- N. Review and approve management level Enterprise Risk Management Committee, and Management Asset/Liability Committee Charters at least annually, and as needed

V. PERFORMANCE EVALUATION

The Committee will conduct annual self-evaluations by reviewing and assessing the adequacy of this Charter and recommend any proposed changes to the Board for approval. The Committee shall also evaluate its own performance. In conducting the self-evaluation, the Committee shall address all matters that it considers relevant to its performance including but not limited to the following: the adequacy, and appropriateness and quality of the information and recommendations presented by

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the Committee to the Board; the manner in which they were discussed or debated; and whether the number and length of meetings were adequate for the Committee to complete its work in a thorough and thoughtful manner.

VI. COMMITTEE RESOURCES

The Committee shall be empowered, subject to approval of the Board, to engage or compensate independent legal, accounting, or other advisors as it determines necessary to carry out its duties. The Committee shall receive appropriate funding, as determined by the Committee, from the Bank for payment of (A) compensation to any advisor so employed by the Committee; and (B) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee may form and delegate authority to subcommittees when appropriate.

DOCUMENT HISTORY

Revision History	Description	Date Approved
1	Initial Version	August 31, 2016
2	Revision – The Board Risk Committee Charter was reviewed and updated, and membership changed from no fewer than 6 to 5.	November 30, 2017
3	Revision – The review and approval of capital and liquidity stress test assumptions, scenarios and results was removed. The Stress Testing Committee is no longer a subcommittee of the ERMC.	June 21, 2018
4	Revision – The BRC Charter was reviewed and updated guidelines of the meetings such as revised the wording of the notice of meetings and materials and minutes.	July 24, 2019
5	Revision – The Board Risk Committee Charter was reviewed and updated, and membership changed from no fewer than 5 to 4.	July 23, 2020

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6	Key revisions: Asset/liability management duties and responsibilities were added as the Board ALCO and the BRC had merged into one. Membership changed from 4 to 5.	June 30, 2021
7	Revision – The BRC Charter was reviewed for its annual renewal. The following were updated: Section II: Membership shall be 5 or more Section III: Quorum shall be 4 Section IV: Operational Risk was expanded to include Model Risk, Vendor Risk, Data Governance Risk, Fraud Risk and Environmental Social and Governance).	July 28, 2022