



Board Risk Committee Charter

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Statement of Purpose

Each of the respective Boards of Directors (individually a “Board”, and collectively, the “Boards”) of Sierra Bancorp and its wholly-owned subsidiary, Bank of the Sierra (“Bank”) (jointly, the “Company”) have established a Board Risk Committee (individually, a “Committee” and collectively, the “Committees”) in fulfilling their oversight responsibilities.

The Committees are duly constituted through the delegation of each Boards’ authority via its charter and by-laws. The Committees shall meet simultaneously to address matters affecting the Company but will meet separately if necessary to address issues that are relevant to one entity but not the other, or to consider transactions between the two entities or other matters where Sierra Bancorp and the Bank may have different interests.

The function of the Committees is oversight and the establishment of risk appetite guidance through the approval of Policies and Programs and their respective limits. The Committee is responsible for oversight of the Company’s enterprise risk management program. This includes, but is not limited to, oversight of management’s execution of:

- Enterprise Risk Assessment and Risk Appetite Statement and Framework;
- Compliance Management System and Bank Security Act/Anti-Money Laundering (“BSA/AML”);
- Cyber Security, Information Security, and Corporate Security;
- Information Technology;
- Operational Risk;
- Business Continuity and Disaster Recovery; and
- Vendor Risk.

Membership

The Committee shall be comprised of three or more directors as determined by the Boards. If a Committee Chair is not designated by the Board, the members of the Committee may designate a Chair by majority vote.

A quorum is required for proper governance, participation, and oversight of Committee actions. A quorum will be established when the Chair of the Committee, or their delegate, and a majority of voting members are present.

Meetings of the Board Risk Committee

The Committee shall meet at least four times per year, or more frequently, as circumstances dictate. Meetings may be held in-person, virtually, or via teleconference.

The Committee may meet in executive session without members of management in attendance as often as deemed appropriate. In addition, independent members of the Committee may meet in executive session without members of management and non-independent directors in attendance as often as deemed appropriate.

Authority and Governance

The Committee will retain all authority necessary to ensure proper oversight of its areas of responsibility. Specific authority and responsibilities will include, but not necessarily be limited to the following:

- Review and reassess the adequacy of this Charter at least annually and submit the charter to the Boards for approval annually.
- Oversight of the Enterprise Risk Management Program which Identifies, Measures, Monitors, and Controls the risks of the Company consistent with the Board approved risk appetite.
- At least annually, review, and recommend to the full board for approval the Enterprise Risk Assessment and Risk Appetite Statement and Framework.
- Ensure proper coordination and review of risks that other Board Committees oversee including, but not limited to Credit Risk; Asset Liability Risk; Liquidity Risk; Capital Risk; Earnings and Financial Reporting Risk; and Human Resource and Compensation Program Risk.
- Review and approve the following Policies and Programs related to:
 - Compliance and BSA/AML;
 - Cyber Security, Information Security, and Corporate Security;
 - Information Technology;
 - Operational Risk;
 - Business Continuity, Disaster Recovery, Vendor Risk;
 - Model Validation and Project Management; and
- Establish reporting and oversight to ensure the Company is operating in a safe and sound manner and complying with applicable laws and regulations. Review regulatory examination reports, including the Safety and Soundness and Compliance reports.
- Review and discuss the Compliance Management System to ensure that

the program properly manages all aspects of regulatory risk – training, risk assessments, testing, monitoring and/or audit, reporting, and implementing corrective actions when necessary.

- Review and discuss the BSA/AML program to ensure that we have a strong anti-money laundering monitoring program and that we are following Office of Foreign Assets Control (“OFAC”) and other required regulations.
- Review and discuss the Company’s cyber security program, capabilities, and protocols. Ensure that the Company has an appropriate Information Security and Corporate Security program which includes protocols to protect the Company’s and our customers’ non-public personal information.
- Review and discuss the Information Technology program, initiatives, and systems to ensure that we have efficient and reliable core platforms that provide the services and information that our employees and customers need and rely on.
- Review and discuss core capabilities and processes in our deposit and loan operations programs. Monitor reporting of operational metrics, key risk indicators and exception levels.
- Review and discuss Business Continuity, Disaster Recovery and Project management programs. Oversight of technology redundancy and reliability. Oversight of annual testing of key back-up systems and protocols. Review and discuss top project management initiatives to ensure that strategic initiatives are being implemented in a timely fashion consistent with the business plan.
- Review the Company’s Vendor Risk program to ensure that critical third-party systems and platforms are reliable and monitored appropriately.
- Review the Legal and Litigation report to better understand industry trends and specific litigation that could impact the Company.
- Review the Company’s outsourced third party credit reviews.

Allocation of Resources

The Committee shall have the authority to select, retain, terminate, and approve the fees and other retention of special or independent counsel, accountants or other experts, consultants, and advisors, as they deemed necessary or appropriate.

The Company will allocate the resources and appropriate funding needed to ensure compliance with the Board Risk Committee Charter.