

Risk Committee Charter

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Purpose

The Risk Committee (the “Committee”) of Sierra Bancorp and Bank of the Sierra (jointly, the “Company”) is appointed by the Board of Directors (the “Board”) to assist the Board in its oversight of the Company’s risk management function. The Committee is responsible for approving and periodically reviewing the Company’s Risk Management Framework and risk management policies and overseeing management’s implementation of the Company’s risk management framework and significant risk policies.

Discharging the duties of risk oversight requires, among other things, that the members of the Committee: (i) understand, communicate and monitor the Company’s risk appetite and risk profile; (ii) stay abreast of regulatory requirements and industry standards related to risk management; (iii) provide input to management on risk appetite, risk profile and regulatory requirements; and (iv) oversee the effectiveness of the Company’s risk management framework and governance of risk.

While the Committee oversees the Company’s risk functions, management is ultimately responsible for the identification of, planning for, responding to and escalating the Company’s material risks, including compliance risk, credit risk, liquidity risk, market risk, operational risk (including information technology and client information risks), reputational risk, and strategic risk.

Committee Membership

The Committee members are appointed annually by the Board and may be replaced by the Board. The Committee shall have at least three members. The Committee must include at least one member having experience in identifying, assessing and managing risk exposures of complex financial firms.

The Board shall annually appoint a Chair at its first regular reorganizational meeting each year. Such Chair must meet the independence requirements of the Securities and Exchange Commission, the Company’s Corporate Governance Guidelines and any standards of independence as may be prescribed by any applicable listing standards, laws and regulations relating to the Committee’s duties and responsibilities. The Committee may delegate to its Chair such power and authority as the Committee deems to be appropriate, except such powers and authorities required by law or regulation to be exercised by the whole Committee or by a subcommittee of at least two members.

Meetings

The Committee shall meet at least quarterly, or more frequently as needed, and fully document and maintain records of its proceedings, including risk management decisions. 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.

The Chair of the Committee shall have authority to call the Committee into executive session. Any member of the Committee may request that the Chair call an executive

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session, subject to the Chair's discretion or a vote of the Committee membership in cases of disagreement.

Committee Authority and Responsibilities

1. The Committee will approve the Company's risk management framework, periodically review and evaluate the adequacy and effectiveness of such framework and will approve any and all significant changes, additions or deletions to the Company's risk management framework.

2. The Committee will annually approve a statement or statements defining the Company's risk appetite, monitor the Company's risk profile at least quarterly and provide input to management regarding the 's risk appetite and risk profile.

3. The Committee will oversee management's implementation and management of, and conformance with, the Company's significant risk management policies, procedures, limits and tolerances.

4. The Committee will receive from members of management, including, but not limited to, the Chief Risk Officer, Chief Compliance Risk, Chief Credit Officer, Chief Financial Officer, Chief Administrative Officer and other officers or employees as appropriate, periodic reports on, and reviews of, the Company's risk management framework and risk management programs and their results. Risk reports from the Chief Risk Officer must be received and reviewed on not less than a quarterly basis. The subject of such periodic reports will include, but not be limited to:

- a. Strategic elements including capital planning and progress towards strategic goals;
- b. Compliance reporting and results of any regulatory matter or testing;
- c. Operational Risk, to include Information Technology and Information Security and provisions for business continuity;
- d. Asset/Liability management and market functions. Liquidity management and contingency funding planning;¹
- e. Portfolio composition and overall credit quality;²
- f. Emerging or idiosyncratic risk that may be present or affecting the Company.

5. The Committee will discuss with management, including the Chief Risk Officer, the Company's major risk exposures and review the steps management has taken to identify, monitor and control such exposures.

¹ *Asset Liability reviews, including investment, interest rate and liquidity, are conducted at the Board level and only a summarized view of the ALM condition will be provided at the Risk Management Committee for completeness.*

² *Credit condition and performance is covered as part of the Senior Loan Committee and will be covered only in summarized form at the Risk Management Committee.*

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6. The Committee will review the independence, authority and adequacy of the risk management function and ensure that the senior-level risk management officers, including the Chief Risk Officer, have sufficient stature, authority and seniority, and resources to carry out such officers' responsibilities.

7. On at least a semi-annual basis, the Committee will coordinate and share information with, or receive information from, or meet with the Audit Committee concerning corporate-wide compliance with state and federal laws, rules, regulations or the standards or codes of conduct of self-regulatory organizations applicable to the Company's activities. As necessary or advisable, or as may be required to carry out statutory, regulatory or other responsibilities, the Committee will coordinate and share information with, or receive information from, or meet with the Audit Committee and other Board committees concerning risk management matters within such other committees' respective areas of oversight and responsibility.

8. On at least a semi-annual basis, the Committee will coordinate and share information with, or receive information from, or meet with the Compensation Committee concerning the incentive compensation practices of the Company and the impact of any risk outcomes on such practices.

9. The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent risk management, legal, accounting or other advisors and shall have sole authority to approve the advisors' fees and other retention terms, including the authority to limit the amount of fees an advisor may earn from other services provided to the Company. The Company shall provide appropriate funding, as determined by the Committee, to allow the Committee to perform its functions, including for the fees and expenses of outside advisors to the Committee.

10. The Committee, or a designated subcommittee of the Committee composed of members of the Board, shall approve, at least annually, the contingency funding plan that sets out the Company's strategies for addressing liquidity needs during liquidity stress events, and shall approve any material revisions to the plan prior to implementation of such revisions.

11. Receive quarterly written reports from and discuss with each of the Company's Chief Risk Officer any issues that may have a material impact on the Company's compliance with state and federal laws, rules, regulations or the standards or codes of conduct of self-regulatory organizations applicable to the Company's activities.

12. Provide oversight to management to ensure a robust and effective risk culture as an integral component of the Company's risk framework.

13. Provide oversight to Executive Management regarding merger, acquisition, divestiture and portfolio purchase transactions in accordance with the Company's Mergers and Acquisitions Policy.

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14. The Chair of the Committee shall report periodically to the Board on the Committee's activities. The Committee shall maintain minutes of its meetings.

15. The Committee shall annually review and assess the adequacy of its Charter and recommend to the Board any changes to this Charter. The Committee shall annually review its own performance, assessing the skills and resources required to meet its obligations under this Charter, and shall recommend to the Board such enhancements as the Committee deems prudent.

16. The Committee shall carry out such other duties as may be delegated to it by the Board from time to time.