

stellar BANCORP, INC.

CHARTER OF THE RISK OVERSIGHT COMMITTEE

Effective as of June 12, 2023

I. PURPOSE

The purpose of the Risk Oversight Committee (the “Committee”) of the Board of Directors (the “Board”) of Stellar Bancorp, Inc. (the “Company”) is to assist the Board in fulfilling its oversight responsibilities with regard to the enterprise risk management (“ERM”) of the Company and its subsidiaries, including Stellar Bank (the “Bank”), and the compliance framework and governance structure that supports it.

II. AUTHORITY

The Committee will have the resources and authority necessary to perform its responsibilities and duties as enumerated in Section V of this Charter, including the authority to:

- 1) Obtain advice and assistance from internal or external legal counsel, accountants, consultants, or other advisors, at the Company’s expense, to assist the Committee in performing its prescribed responsibilities and duties under this Charter;
- 2) Obtain any information it requires from management, officers, or other associates of the Company and its subsidiaries, all of whom are directed to cooperate with the Committee’s requests;
- 3) Delegate its authority to subcommittees established by the Committee from time to time, which subcommittees will consist of one or more members of the Committee and will report to the Committee; and
- 4) Meet in joint session with any of the Board’s other standing committees for the review of any information it deems necessary to perform its prescribed responsibilities and duties under this Charter.

III. COMPOSITION & APPROVAL AUTHORITY

The Committee will be comprised of four or more directors, at least three of whom will be independent as determined by the rules and regulations of the New York Stock Exchange and Securities and Exchange Commission (“SEC”) and any additional requirements that the Board deems appropriate. The Committee’s members will be appointed annually by the Board based on the recommendation of the Board’s Corporate Governance and Nominating Committee (the “CGNC”) and may be replaced in the Board’s discretion. Likewise, the Committee Chair will be appointed annually by the Board based on the recommendation of the CGNC and may be replaced in the Board’s discretion.

The members of the Committee shall serve for such term or terms as the Board may

determine or until earlier resignation or death. Any director serving on the Committee will automatically cease to be a member of the Committee at the time that he or she ceases to be a director. Any vacancy on the Committee shall be filled by the Board. No member of the Committee shall be removed except as provided in the Bylaws of the Company, or if not so provided, by the Board.

All Committee approvals and Board recommendations will require a majority of the members present at the meeting with the Chair's vote being tie breaker if needed.

IV. MEETING REQUIREMENTS & QUORUM

The Committee will meet at least quarterly with the authority to convene additional meetings as circumstances require. All Committee members are expected to attend each meeting in person or via teleconference or videoconference. A majority of the members of the Committee will constitute a quorum. If the Committee Chair is not present, the members of the Committee may designate one of its members as temporary Chair by majority vote of the Committee members in attendance.

The Committee Chair, with input from the Chief Risk Officer, will prepare and/or approve an agenda, along with appropriate briefing materials, in advance of each meeting. The agenda for each regular Committee meeting may provide time during which the Committee can meet without the presence of management (*i.e.*, Executive Session) to discuss any matters that the Committee deems necessary to perform its prescribed responsibilities and duties under this Charter.

The Committee will appoint a Secretary, who need not be a Director. The Secretary will keep detailed minutes of each Committee meeting and fully document and maintain records of the Committee's proceedings.

The Committee may request any officer or associate of the Company and its subsidiaries, independent counsel, accountants, consultants, or other advisors to attend Committee meetings and provide pertinent information as the Committee deems necessary to perform its prescribed responsibilities and duties under this Charter.

V. RESPONSIBILITIES AND DUTIES

In addition to the specific responsibilities and duties enumerated in this Charter, the Committee may take such other actions that are consistent with the general scope of its authority set forth in this Charter, the Company's Bylaws or Corporate Governance Guidelines, or as directed by the Board. Notwithstanding the above, the Committee acknowledges that the Bank's Board Risk Committee ("BBRC") has the primary duty to the Bank's Board to oversee the Bank's policies, procedures and practices. As a result, all Bank

–related recommendations from the Committee will be coordinated with the Bank Board and BBRC.

In such a manner as the Committee deems appropriate to fulfill its purposes, the Committee shall:

- 1) Oversee and receive periodic reports concerning the Company's ERM function, including management's design, implementation, and maintenance thereof.
- 2) Review and discuss with management the Company's ERM Program and Policy and Risk Appetite Statement, which review shall include, among other things, the relationship of the Company's risk appetite to the Company's strategic objectives and make recommendations to the Board concerning their approval.
- 3) Review and discuss with management significant ERM policies, procedures, and practices of the Company and its subsidiaries.
- 4) Monitor, in conjunction with other Board committees, the Company's risk profile and exposures, and risk management capabilities, specifically regarding the Company's aggregate strategic, compliance, market, liquidity, reputation, credit, and operational risks.
- 5) Review minutes and reports from the Bank's Board, BBRC, and Management Risk Committees regarding (i) risk management findings and deficiencies, management responses thereto, and emerging risks; and (ii) risk exposures and management's mitigation plans.
- 6) As appropriate, consider and discuss with management the risks associated with new, modified, or expanded products, services, and lines of business.
- 7) Review and discuss with management the Company's periodic Enterprise Risk Assessment and accompanying reports.
- 8) Periodically review the Company's risks and management's activities with respect to Environmental, Social, and Governance (ESG) and diversity and inclusion initiatives. It is acknowledged that primary oversight for ESG is with the Governance and Nominating Committee.
- 9) As necessary, work with and assist other committees of the Board, as well as the boards of the Company's subsidiaries and their respective committees that oversee specific risk-related issues.
- 10) Review and discuss with management the Risk Function's structure, staffing levels, and resource needs.
- 11) Maintain and publish to the Board minutes of each Committee meeting.
- 12) Regularly report to the Board on (i) the matters addressed at all meetings of the Committee and (ii) such other matters as are relevant to the Committee's discharge of its responsibilities and duties under this Charter. The Committee will recommend action by the Board as the Committee deems appropriate or necessary.

- 13) Perform any functions or activities required to be performed by it or otherwise appropriate under applicable law, rules or regulations, by the Company's Bylaws, and the resolutions or other directives of the Board.
- 14) As necessary, meet with the Chief Executive Officer, Chief Risk Officer, and General Counsel in Executive Session.
- 15) Perform an annual review and evaluation of the effectiveness of the Committee and its members and provide to the Board for review.
- 16) Perform an annual review and evaluation of the effectiveness of, and its compliance with, this Charter, and request Board approval for proposed changes.
- 17) Participate in pertinent continuing education and training opportunities.

VI. LIMITATION OF THE COMMITTEE'S RESPONSIBILITIES

While the Committee has the authority, responsibilities, and duties set forth in this Charter, its core function is oversight. It is not the duty of the Committee to design, implement, and maintain an effective ERM function, which is the responsibility of management.

Each member of the Committee will be entitled to rely, to the fullest extent permitted by law, upon (i) the integrity of those persons or organizations within and outside the Company from whom the member receives information, (ii) the accuracy and completeness of the other information provided to the Committee by such persons or organizations, absent actual knowledge to the contrary, and (iii) representations made by management and the Company's outside advisors.
