

**BANNER CORPORATION
RISK COMMITTEE
CHARTER**

*Approved and Adopted by the
Board of Directors of Banner Corporation on December 16, 2024*

I. Purpose

The Risk Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Banner Corporation (the “**Corporation**”) shall carry out the Board’s responsibilities with respect to overseeing the Corporation’s enterprise-wide risk structure and the processes established for identifying, understanding, measuring, monitoring and managing the Corporation’s risks, with the exception of credit risks, which are overseen by the Credit Risk Committee, and financial reporting risks, which are overseen by the Audit Committee.

The Committee serves as the primary point of contact between the Board and the management-level committees dealing with risk management. The Committee’s role is to enhance the Board’s oversight and understanding of enterprise-wide risk management activities and their effectiveness. The Committee shall assist the Board in its oversight of the effectiveness of the Corporation’s compliance program, but is not responsible for ensuring compliance with laws and regulations or conducting investigations, as these duties are the responsibility of management or, in some cases, outside legal counsel.

II. Composition

The Committee shall consist of at least three Board members, including the Chief Executive Officer/Director. The Board may consider whether it is advisable for members of the Committee to qualify under any standards of applicable law, rule or regulation.

The Board shall annually consider and appoint the members of the Committee based upon the recommendation of the Corporate Governance/Nominating Committee and as provided in the Bylaws of the Corporation (the “**Bylaws**”). The Board may remove Committee members and fill any vacancies on the Committee as provided in the Bylaws. Unless a Chair is selected by the Board, the members of the Committee will designate a Chair by majority vote of the full Committee membership.

III. Meetings and Structure

The Committee Chair shall report the Committee’s activities and actions to the Board at the next regular meeting following each Committee meeting. The Committee shall ensure the Corporation maintains minutes of meetings and records relating to those meetings and the Committee’s activities, and shall provide copies of such minutes to the Board. The Committee may refer to the Board any matter that the Committee believes should be addressed by the Board.

The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. Furthermore, the Committee shall, in a manner it deems appropriate, evaluate itself annually by comparing its performance with the requirements of this Charter. The results of such evaluation shall be reported to the Board.

IV. Responsibilities and Duties

The Committee's authority and responsibilities include the following:

A. Enterprise Risk Management Framework

1. Review and oversee management's enterprise risk management framework, including management's strategies and policies for managing risks.

B. Risk Management Policies and Charters

1. Review and recommend for adoption by the Board the Corporation's key risk management policies and charters including:
 - a. Risk Appetite Statement and related thresholds;
 - b. Capital Policy;
 - c. Enterprise Risk Management Policy;
 - d. Model Risk Management Policy; and
 - e. Risk Management Oversight Committee Charter.

C. Risk Monitoring

The Committee will review reports from management describing the Corporation's performance, trends, and exceptions to Board-approved limits or risk thresholds, for all risk categories on a quarterly basis, as well as assess such reports to assure the adequacy, compliance, and capacity of management's plans, and to identify the cause of, and monitor remediation for, any incidents or exceptions, including:

1. Market/Price Risk

- a. Potential impacts of adverse market conditions on capital and liquidity and on the viability of management's efforts to sustain planned asset sales.

2. Legal/Regulatory Compliance Risk

- a. The Compliance Management System, BSA/AML/OFAC, fraud, fair lending, regulatory issues management, complaints, litigation and legal matters (including significant vendor disputes), CRA, insurance, and general regulatory updates.

3. Liquidity Risk
 - a. The Contingency Funding Plan, liquidity stress tests, investment portfolio positions, and prioritization of the investment portfolio strategy to serve primarily as a source of liquidity.
4. Interest Rate Risk
 - a. The annual independent review of the interest rate risk function.
5. Operational Risk
 - a. Model Risk Management, third-party risk management, data governance, and the Physical Security Program.
6. Technology/Cybersecurity Risk
 - a. Business continuity plans, the Information Security Program, Information Security Risk Assessment, patching, third-party cybersecurity risk, and integration of cybersecurity processes into the Corporation's risk profile.
 - b. Reviewing and reassessing the Corporation's cybersecurity oversight framework and initiatives, including oversight of third-party systems used by the Corporation.
 - c. Reviewing and assessing management's plans to mitigate cybersecurity risk.
7. Capital Risk
 - a. Capital stress testing.
8. Strategic Risk
 - a. Assessing impact of the strategic plan on the Corporation's risk profile.
9. Reputational Risk
 - a. Annual assessment of the maintenance, enhancement or deterioration of the reputation of the Corporation.
10. People Risk
 - a. Employee turnover trends and ongoing vacancies in critical senior management positions.

11. Environmental, Social, and Climate Change Risk

- a. Progress on environmental, social and climate risk management initiatives, including climate change risk management relative to any stated program goal.

Additionally, the Committee may, subject to applicable law, delegate authority and responsibilities to one or more subcommittees at the Committee's discretion.

V. Risk Reporting Relationship

The Committee shall oversee the Corporation's risk management function such that the Chief Risk Officer ("**CRO**") shall functionally report directly to the Committee and administratively to the Chief Executive Officer ("**CEO**"). The CRO shall have unhindered access to the Committee, including calling executive sessions as needed. The Committee will annually review the performance and compensation of the CRO and support the CEO's search process for a new CRO as required.

The Committee will work with the CRO to ensure the risk management function has the necessary resources to perform its duties.

VI. Outside Advisors

The Committee shall have the authority, in its sole discretion, to select, retain and oversee outside advisors (including separate outside counsel), which shall include reasonable compensation paid to such advisors by the Corporation.