

BANK OZK
RISK COMMITTEE CHARTER
As Revised Effective May 6, 2019

Introductory Statement and Purpose

The Risk Committee (the “Committee”) of the Board of Directors (the “Board”) of Bank OZK (the “Bank”) is appointed by the Board to provide oversight of the Bank’s enterprise-wide risk management framework and the Bank’s corporate risk structure, including the strategies, policies, processes, procedures, and systems established by management to identify, assess, measure, manage, and monitor the Bank’s significant financial, operational, and other risk exposures.

The Committee serves as the primary point of contact between the Board and the management-level committees that oversee the Bank’s risk management activities. The Committee functions to assist the Board in its understanding of the risks faced by the Bank and helps the Board determine the effectiveness of the Bank’s enterprise risk management program.

Organization

The Committee is a standing committee of the Board and shall be comprised of at least three directors who meet the independence requirements contained in Regulation YY (12 CFR Part 252). The qualification of persons to serve on the Committee shall be determined by the Board and all members shall be elected annually by the Board. The Board may appoint a Chair of the Committee, or should the Board not do so, a Committee Chair may be appointed by the unanimous consent of the Committee members. The Board, at its discretion, may replace members of the Committee.

Meetings

The Committee shall meet as often as it determines is necessary, but not less than four times per year. The Chair or any other member of the Committee may call a meeting. A majority of the members attending will constitute a quorum.

The Committee may meet in joint session with any other standing committee of the Board from time to time as it deems appropriate to discuss areas of common interest and other significant matters including, but not limited to, major loan and investment portfolio issues, fraud, significant regulatory matters, material litigation, or systemic technology considerations.

The agendas for the meetings shall be set under the direction of the Chair. In the absence of the Chair, the Committee members shall select a member to serve as Chair of the meeting. All determinations of the Committee shall be made by a majority of its members present at a duly convened meeting. In lieu of a meeting, the Committee may act by unanimous written consent. Each meeting agenda will provide time during which the Committee can meet separately in executive session with the Chief Risk Officer, or other members of Executive Management, and other officers or employees with whom the Committee desires to discuss matters privately. The Chief Risk Officer shall communicate with the Chair on any significant risk issues that arise between Committee meetings.

Minutes of the Committee meetings shall be recorded and approved by the Committee, and maintained on behalf of the Committee. The Chair shall report the Committee’s actions, deliberations, or findings to the Board at the next regularly scheduled meeting following a Committee meeting.

Responsibilities and Authorities

The Committee will have the responsibility to:

1. Periodically review and approve the Bank's enterprise risk management and related frameworks, which outline the Bank's approach to risk management and the policies, processes, and governance structures used by management to execute its risk management strategy, including those relating to:
 - the maintenance of a strong risk culture and the independence and stature of the Corporate Enterprise Risk Management Group;
 - the establishment of policies, systems, and processes for risk data aggregation capabilities and model governance;
 - the facilitation of appropriate credible challenge of business decisions; and
 - the provision for the recruitment, development, retention, compensation, and succession planning of risk talent, as well as enterprise-wide incentive compensation practices that are consistent with the safety and soundness of the Bank and do not encourage excessive risk taking.
2. Periodically review and approve the functional framework which defines the key risk types facing the Bank, including Strategic, Credit, Legal and Regulatory, Operational, Financial (including liquidity and market risks), and Reputation.
3. Periodically discuss, review, and recommend to the Board the articulation of the Bank's risk appetite statements, and approve amendments to the risk appetite statements as appropriate.
4. Review and understand the significant risk exposures facing the Bank and the steps management has taken to mitigate, manage, and monitor such exposures according to the key risk categories defined by management.
5. Review the activities of the councils management has in place to manage and monitor the significant risks facing the Bank.
6. Review the Bank's Corporate Risk Profile, which considers the metrics and measurements contained in the risk appetite statements.
7. Review and approve designated enterprise policies that reflect the Bank's risk management philosophies, principles, and risk limits.
8. Review and understand the Bank's practices for identifying and assessing risks across the enterprise, the methods for managing or controlling risks, and the effectiveness of risk management activities.
9. Receive and review regular reports from the Chief Risk Officer and other members of management regarding emerging risks and other selected risk topics or enterprise-wide matters to enhance the Committee members' knowledge and awareness of key risks.
10. Periodically receive and review a report containing the details of all litigation involving the Bank.
11. Periodically review reports of other risk monitoring activities within the Bank, including:
 - Corporate Compliance, evaluating the Bank's state of compliance with laws and regulations and the level of regulatory risk;
 - Credit Review, evaluating the overall levels of risk within the Bank's loan portfolios and compliance with loan policies;
 - Corporate Security, monitoring the level of risk to the Bank's physical plant and identifying and investigating instances of fraud against the Bank;
 - Bank Secrecy Act ("BSA") Administration, monitoring transactions for compliance with BSA and anti-money laundering regulations;

- Business Resilience, overseeing and monitoring the Bank’s business recovery, contingency planning and preparedness activities; and
 - Other Bank units now existing or developed for the purpose of monitoring risks experienced by the Bank.
12. Annually review and recommend to the Board for approval the Bank’s BSA and Credit Review Programs.
 13. Review management’s reports on the status of the Information Security Program including risks related to customer and Bank information, and significant third party risk management activities.
 14. Review management’s recommendations and approve the appointment, termination or replacement of the Chief Risk Officer.
 15. Review the performance of the Chief Risk Officer, and approve annual salary adjustments and incentive awards.
 16. Review and assess the adequacy of this Charter, and review its own performance annually.
 17. Perform such other duties and responsibilities as may be directed by the Board or required by applicable laws, rules, or regulations.

The Committee may, at its discretion, form or delegate all or a portion of its authority to sub-committees. The Committee may also authorize the formation of management councils (“Councils”) to consider risks to the enterprise, risk monitoring activities, and mitigation strategies related to identified risks. If so formed, the Committee will receive and review minutes from any Council authorized by the Committee.

Access to Records and Advisors

The Committee will have full access to the records of the Bank along with the ability to call any officer or employee before the Committee. The Committee may retain special counsel, or obtain advice and assistance from accounting, regulatory, or other advisors at the Bank’s expense without the prior permission of the Board or management.

Reliance on Other Parties

In the performance of their responsibilities, Committee members are entitled to rely in good faith upon information, opinions, reports, or statements prepared or presented by:

- one or more officers or employees of the Bank whom the Committee member reasonably believes to be reliable and competent in the matter presented;
- counsel, independent accountants and auditors, or other persons as to matters that the Committee member reasonably believes to be with the professional or expert competence of such person; and
- another committee of the Board as to matters within its designated authority which committee the Committee members reasonably believe to merit confidence.

Limitations on the Role of the Committee

Notwithstanding the responsibilities and powers of the Committee set forth herein, it is not the duty of the Committee to develop risk policies or practices, determine the levels and limits contained within the Bank’s risk appetite, or plan and conduct risk assessments. Management of the Bank is responsible for the ownership and management of risks, and for implementing and maintaining the Enterprise Risk Management Program.