

# Central Pacific Financial Corp. & Central Pacific Bank Board of Directors

## BOARD RISK COMMITTEE CHARTER

January 30, 2024

### 1. Terms

The following terms used in this Charter have the following meanings:

- A. Bank and CPB - Central Pacific Bank.
- B. Board - Board of Directors of the Company.
- C. Board Risk Committee - Risk Committee of the Company.
- D. Chair - Chair of the Committee.
- E. Charter - Risk Committee Charter of the Board.
- F. Committee - Board Risk Committee.
- G. Company - CPF and CPB.
- H. CPF - Central Pacific Financial Corp.

### 2. Purpose

The Committee's purpose is to assist the Board in overseeing the Company's identification, assessment, measurement, monitoring, and controlling of material risks relating to the Company's business and operations.

Risk areas include regulatory compliance, Bank Secrecy Act, anti-money laundering, Office of Foreign Assets Control, operational (including but not limited to information technology, information/cyber security, fraud, business continuity, third-party vendor management, Banking-as-a-Service (including financial technology companies), legal, model risk), strategic, reputational, environmental, social, governance (ESG), enterprise risk management (ERM), and emerging risks.

### 3. Responsibilities

The Committee shall have the following responsibilities:

- A. Oversee the design and implementation of the risk governance framework and any significant changes.
- B. Recommend the Enterprise Risk Management Program and Policy and Enterprise Risk Appetite Policy and Statement.

- C. Require periodic review of the Company's structure, organization, programs, policies, processes, and risk management system for adequacy in addressing material risks under the Committee's oversight, in fulfillment of the Committee's purpose, and in conformance with any regulatory requirements and expectations.
- D. Working with management to establish processes for identifying and reporting risks.
- E. Oversee the Bank's compliance management programs.
- F. Regularly report to the Board on the Committee's activities.
- G. Maintain minutes and records of the Committee's activities.
- H. Review and reassess the adequacy of this Charter annually.
- I. Annually review the performance of the Committee.
- J. Perform any other activities in fulfillment of and consistent with the responsibilities of the Committee under this Charter, and as the Board may deem necessary or appropriate.

#### **4. Authority**

The Committee is established by the Board and may be modified or terminated by the Board at any time.

To carry out its purpose and responsibilities under this Charter, the Committee shall have the following authority:

- A. To take all necessary or appropriate actions to fulfill its responsibilities under this Charter.
- B. To the extent it deems necessary or appropriate, to obtain advice and assistance from risk and other consultants, advisors, experts and other third parties.
- C. To communicate directly with and have direct access to anyone within the Company or external to the Company.
- D. To request any Company officer or employee or any external party to attend Committee meetings or meet with the Committee or any third parties designated by the Committee.
- E. To determine the appropriate level of funding and approve actions to the extent related to the Committee's oversight and responsibilities as described in this Charter.
- F. To perform such other duties and responsibilities as determined by the Board.

## 5. Membership

- A. Appointment. The members of the Committee are appointed by the Board and serve until their successors are duly appointed.
- B. Number. The Board determines the number of directors on the Committee from time to time, but the number shall not be less than three (3) directors.
- C. Committee Chair. The Board will appoint one of the members of the Committee to serve as Chair.
- D. Other Membership Requirements. The members of the Committee and its Chair shall satisfy all membership requirements as may be set forth in this Charter and as otherwise established by the Board and shall also satisfy any applicable laws pertaining to the qualifications of any member or Chair or the composition of the Committee.
- E. Changes. The Board may add any director to, remove any director from, or replace any director on, the Committee, with or without cause, and to ensure the best representation on the Committee based on directors serving on the Board and other Board Committees and the qualifications and experience of Board members, or for Board succession, transition or other reasons.

## 6. Meetings

- A. Chair. The Chair shall preside over the Committee meetings. In the event the Chair is absent and has not delegated another Committee member to preside over the meeting, the Committee members present at any such Committee meeting shall decide among themselves which member shall preside over that meeting.
- B. Frequency. The Committee shall meet as frequently as it deems necessary or appropriate, but no less than quarterly.
- C. Agenda. The Chair shall be responsible for preparing or having prepared an agenda for each Committee meeting.
- D. Attendance by Others. The Chair shall coordinate the attendance at the meeting by management and all others whom the Committee seeks to meet with.
- E. Minutes. The Chair shall ensure that minutes of every Committee meeting are taken, recorded and kept, and also that all documentation submitted before the Committee is maintained with the minutes.

## 7. Amendment

This Charter may only be amended by the Board. The Committee, may, however, in its best judgment and discretion, deviate from or alter, modify, or change any of its responsibilities in this Charter if doing so would better serve the purpose of this Charter, provided such deviation is of a temporary nature, and provided further that the Chair informs the Board of such deviation and obtains Board approval of same.

## **8. Limitations**

- A. It should be noted that the Committee's job is one of oversight as set forth in this Charter. It is management's responsibility and not the duty of the Committee to manage the Company's risks.
- B. In performing its responsibilities, the Committee is entitled to rely in good faith on information, opinions, reports or statements prepared or presented by the following persons or groups:
  - i. Officers or employees of the Company whom the Committee members reasonably believe to be reliable and competent in the matters presented.
  - ii. Auditors, consultants, counsel, or other persons as to matters which the Committee members reasonably believe to be within the professional or expert competence of such person.
  - iii. Another committee of the Board as to matters within its designated authority.