
MEMORANDUM

TO: BOARD RISK COMMITTEE
FROM: JORDAN CRAIN
SUBJECT: EXECUTIVE RISK COMMITTEE CHARTER
DATE: FEBRUARY 19, 2026
CC: BOARD OF DIRECTORS

There are no changes being proposed to the Executive Risk Committee charter for 2026.

Old Second National Bank Executive Risk Committee Committee Charter

Mission

The Executive Risk Committee (the "Committee") is a standing committee of Old Second National Bank. The purpose of the Committee is to provide strategic direction to the Bank's overall Risk Management processes with respect to:

- assisting the Risk Management function with the design, implementation and maintenance of an effective enterprise risk management (ERM) framework. This includes establishing and setting effective risk tolerance limits and triggers, providing input and feedback on risk mitigation strategies and ensuring risk taking activities are in alignment with the Bank's risk appetite and strategic goals;
- assisting the Risk Management function with the identification, measurement, prioritization and management of current and emerging risks that could impact the achievement of strategic objectives;
- ensuring that the ERM framework and risk appetite is communicated effectively across the Bank by eliminating silos and encouraging open dialogue and collaboration;
- maintaining a strong culture that emphasizes each Committee member's ownership and understanding of risk;
- clearly defining risk roles, responsibilities, and authorities across the Bank's three lines of defense;

Composition

The Committee shall be chaired by the Chief Risk Officer and shall consist of the President/Chief Executive Officer, Chief Financial Officer, Vice Chairman, Chief Credit Officer, Chief Audit Executive, Chief Technology Officer and senior management representation from the Bank's core profit centers and key support areas including Human Resources, Project Management and Accounting/ Finance.

Voting members of the Committee shall consist of the President/Chief Executive Officer, Chief Financial Officer, Vice Chairman, Chief Credit Officer, Chief Technology Officer and SVP, Director of Operations. The SVP, Controller may vote in the absence of the Chief Financial Officer. A quorum shall consist of no less than three voting members and a simple majority is required to pass a measure voted on by the Committee.

Meetings

The Committee shall meet a minimum of four times annually, generally once quarterly, or more frequently, as circumstances dictate.

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Specific Duties and Responsibilities

In partnership with the Risk Management function, the Committee will ensure that the Bank has an effective ERM framework in place. Specific accountabilities include:

- Review and approve the Bank's Risk Appetite framework on an annual basis, and more often if needed.
- Review the Bank's actual risk profile and risk trending against its risk appetite based on ERM reports and risk assessments provided by the Risk Management function.
- The Committee may also be asked to review may also include material policy exceptions affecting the Bank's overall risk profile; results of stress-testing and scenario analysis; and materially adverse results of model validation testing.
- Provide evaluation and input on the quarterly assessment of the risk dashboards, which will summarize specific key risk areas within the Bank, emerging risks to which the Bank may be exposed, and progress made toward mitigating those risks.
- From time to time, review and approve significant risk management policies including those impacting:
 - Credit risk
 - Market risk
 - Liquidity risk
 - Strategic risk
 - Capital adequacy
 - Regulatory and legal risk
 - Reputation risk
 - Operational risk
 - Information Technology risk

Commitment to Open and Honest Dialogue

In carrying out these duties and responsibilities, the Committee shall foster an environment which encourages the Risk Management function or any other Bank officer or employee to raise any risk related issues or concerns freely and without concern for retribution.