

RISK COMMITTEE CHARTER

December 15, 2021

I. PURPOSE

The Risk Committee (the "Committee") of OceanFirst Financial Corp. (together with its subsidiaries, the "Company") and of OceanFirst Bank (the "Bank") has been appointed by the respective Board of Directors (the "Board") of each of the Company and the Bank to assist each Board in fulfilling its oversight responsibilities and is responsible for:

- Identifying, evaluating, and establishing policies for management to utilize in managing the Enterprise Risks (as specified below) inherent in and associated with the Company's business and strategic plans;
- Monitoring the Company's risk profile relative to the Board's established Statement of Risk Appetite; and
- Ensuring the Company's risk management programs, activities, and mitigation tools and techniques are adequate relative to the Company's risk profile.

II. COMPOSITION

The Committee members and Committee Chair shall be appointed by the Board on the recommendation of the Leadership Committee and may be replaced by the Board. The Chief Risk Officer shall be the primary management liaison to the Committee; however, additional members of management may also meet with the Committee. The Committee shall be comprised of not less than three directors, the majority of whom shall have experience in identifying, assessing, and managing risk exposures of a financial institution. The Chairperson and at least one other director will be "independent" as determined by applicable regulatory requirements, including any applicable SEC regulation or Nasdaq listing standard, banking law or regulation, or any laws relating to the Committee's duties and responsibilities.

III. MEETINGS

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. Additional meetings may be called by the Chair of the Committee

or a majority of its members. A quorum for these meetings shall be a majority of its members. The Committee Chair shall preside at each meeting and in consultation with the other members, set the frequency and length of each meeting, as well as prepare and/or approve and circulate an agenda in advance of each meeting.

IV. RESPONSIBILITIES AND DUTIES

The principal responsibilities of the Committee are:

A. Oversight of Risk Management.

- 1) *Risk Assessment.* The Committee shall oversee the Company's establishment of a risk assessment process aligned with the Company's strategic plan and risk appetite.
- 2) *Risk Reporting.* The Committee shall review quarterly reports of the level and movement of each Key Indicator established in the Statement of Risk Appetite.
- 3) *Stress Testing.* The Committee shall report to the Board the results of any capital stress testing.
- 4) *Review of Enterprise Risks.* The Committee shall review with senior management the current and emerging risk factors driving the Company's Enterprise Risks, and the program and processes for identification, management, evaluation, monitoring and mitigating such risk factors. Enterprise Risks and key risk factors are as follows; risk factors may fall into multiple categories:
 - a) *Operational Risk* is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. Operational risk includes:
 - i. Human Capital Risk, which arises from insufficient staffing levels or qualifications, workload, training needs, or turnover, as well as employment practices and workplace safety.
 - ii. Technology Risk, which arises from poor functionality, configuration, support, or connectivity and includes the risks associated with business disruption and systems failures.
 - iii. Business Process Risk, which arises from disruptions to transaction processing, internal processes, model management, or report development, as well as risks associated with execution, delivery, and process management.

- iv. Vendor Risk, which arises from any factors affecting vendor performance, reliability, or security.
- v. Cybersecurity Risk, which arises from the frequency and/or complexity of external attacks, internal threats, employee awareness, or security of data.
- vi. Disaster Risk, which arises from the potential for disasters, including weather events, terrorist attacks, supply chain issues as well as cyber incidents.

b) *Financial Risk* is the potential that the Company will not achieve desired financial results. Financial Risk includes:

- i. Credit Risk, which arises from unexpected performance issues, including actual or potential failure to meet the terms of any contract with the Company or otherwise fail to perform as agreed.
- ii. Interest Rate Risk, which arises from external markets or rates, including movements in interest rates and the relationship amongst market rates.
- iii. Price Risk, which arises from factors that change the valuation of portfolios of financial instruments.
- iv. Liquidity Risk, which arises from reduced liquidity supply or excess demand.

c) *Strategic Risk* is the potential that the Company will not achieve its strategic initiatives and objectives due to unexpected changes in key elements of strategy formulation or execution, or external factors. Strategic Risk includes:

- i. Reputation Risk, which arises from negative public opinion, and affects the Company's ability to establish new relationships or services, or to continue servicing existing relationships.
- ii. Compliance Risk, which is a function of the number and complexity of regulatory requirements and is exacerbated by violations of, or non-conformance with, laws, rules, regulations, prescribed practices, or ethical standards. Compliance risk arises from these primary regulatory categories:
 - a. Bank Secrecy Act/Anti-Money Laundering
 - b. Community Reinvestment Act
 - c. Consumer Protection Laws and Regulations, including Fair Lending

d. Privacy

- iii. Litigation Risk, which arises from litigation involving the Company and/or Bank that could involve financial or reputational harm.

- 5) *Review Risk Mitigation and Capital.* The Committee shall review with senior management the risk management and mitigation tools, techniques, and processes for the above Enterprise Risks, including applicable risk-related policies, procedures, internal controls, and insurance. The Committee shall periodically review whether the Company maintains adequate capital given the Enterprise Risks inherent to the Company or emerging from its planned activities or market conditions.
- 6) *Review of Compensation Plans.* The Committee shall review the report of the Chief Risk Officer presented to the Human Resources/Compensation Committee to assist that committee in its review of any risks created by the Company's compensation practices.

B. Supervision of Chief Risk Officer. The Committee shall:

- 1) Review and approve the budget, plan, and changes in plan, activities, and qualifications of the Chief Risk Officer and the organizational structure of the Chief Risk Officer and his staff at least annually;
- 2) Review and approve the appointment, performance, and, if necessary, replacement of the Chief Risk Officer;
- 3) Review and approve any significant reports prepared by the Chief Risk Officer together with management's response and follow-up to these reports; and
- 4) Discuss with the Chief Risk Officer compliance with laws and regulations.

C. Other Committee Responsibilities.

- 1) *Other Functions.* The Committee shall perform such other functions and activities as are provided by the Nasdaq, the SEC and the federal securities and banking laws and regulations, or are consistent with this Charter, the Company's by-laws, and governing law, as the Committee or the Board deems necessary or appropriate. The Committee shall receive and review reports on selected risk topics as management or the Committee deems appropriate from time to time.

- 2) *Reporting to Board.* The Committee shall maintain minutes of all Committee meetings and report to the Board at the next scheduled Board meeting on significant results of the foregoing activities.
- 3) *Self-Assessment.* The Committee shall annually perform a self-assessment of its performance in coordination with the Leadership Committee. The Committee shall review, discuss, and assess its performance, as well as the Committee's role and responsibilities, seeking input from senior management, the full Board and others as needed, using a self-assessment form, which shall then be evaluated by the Board.
- 4) *Review of Charter.* At least annually, the Committee shall review and reassess the adequacy of this Charter and submit any recommended changes to the Board for approval.
- 5) *Policy Review and Approval.* The Committee shall approve annual changes to Bank policies as delegated by the Board of Directors.

V. COMMITTEE RESOURCES

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to all records, auditors, attorneys, as well as anyone in the Company. The Committee has the ability to retain, at the Company's expense, manage and terminate special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties. The Company must provide appropriate funding, as determined by the Committee, for payment of compensation to all auditors, advisers and consultants engaged by the Committee as well as the ordinary administrative expenses of the Committee.