



**Simmons First  
National Corporation**

## **RISK COMMITTEE CHARTER**

*As Adopted by the Board of Directors on*

*September 20, 2018*

## **SIMMONS FIRST NATIONAL CORPORATION RISK COMMITTEE CHARTER**

### **I. GENERAL**

This Charter identifies the Purpose, Authority, Composition, Meeting Requirements, Responsibilities, and Duties of the Risk Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Simmons First National Corporation (the “**Corporation**”). This Charter is intended to serve as a key component of a flexible framework within which the Board, assisted by its various committees, oversees and directs the business and affairs of the Corporation. It will be reviewed at least annually.

### **II. PURPOSE**

The Committee is appointed by the Board to assist the Board in fulfilling its responsibility to the Corporation’s shareholders with respect to its oversight of the Corporation’s enterprise-wide risk management function (“**ERM Function**”), including, among other things, the identification, assessment, measurement, monitoring, and management of key risks to the Corporation and its subsidiaries.

### **III. AUTHORITY**

The Committee is established pursuant to Article IV, Section 6 of the amended and restated By-Laws of the Corporation. The Committee will have the resources and authority necessary to perform its responsibilities and duties as enumerated in Section VI of this Charter, including the authority to:

- (i) Obtain advice and assistance from internal or external legal counsel, accountants, consultants, or other advisors, at the Corporation’s expense, to assist the Committee in performing its prescribed responsibilities and duties under this Charter;
- (ii) Obtain any information it requires from Management, officers, or other associates of the Corporation and its subsidiaries, all of whom are directed to cooperate with the Committee’s requests;
- (iii) Delegate its authority to subcommittees established by the Committee from time to time, which subcommittees will consist of one or more members of the Committee and will report to the Committee; and
- (iv) Meet in joint session with any of the Board's other standing committees for the review of any information it deems necessary to perform its prescribed responsibilities and duties under this Charter.

### **IV. COMPOSITION**

The Committee will be comprised of three or more directors. The Committee will

include at least one member who has experience in identifying, assessing, and managing risk exposures of large, complex firms (a “risk management expert”).

The Committee’s members will be appointed annually by the majority vote of the Board on the recommendation of the Board’s Nominating and Corporate Governance Committee (the “**NCGC**”), and may be replaced in the Board’s discretion. Likewise, the Committee Chairman will be appointed annually by the majority vote of the Board on the recommendation of the NCGC, and may be replaced in the Board’s discretion. The Committee Chairman must satisfy all applicable independence and qualification requirements of the securities exchange(s) on which the Corporation’s securities are listed, the Securities and Exchange Act of 1934, as amended, and the rules and regulations of the U.S. Securities and Exchange Commission (the “**SEC**”), and the Board of Governors of the Federal Reserve.

The members will serve for such term or terms as the Board may determine or until the earliest of their resignation, retirement, or removal by the Board. In determining whether an independent director is eligible to serve on the Committee, the Board must consider whether the director is affiliated with the Corporation, or a subsidiary or affiliate of the Corporation, to determine whether such affiliation would impair the director’s judgment as a member of the Committee. No independent member of the Committee will receive any compensation from the Corporation or its subsidiaries that would impair his or her independence.

## **V. MEETING REQUIREMENTS**

The Committee will endeavor to meet at least quarterly, with the authority to convene additional meetings as circumstances require. All Committee members are expected to attend each meeting in person or via teleconference or videoconference. A majority of the members of the Committee will constitute a quorum. If the Committee Chairman is not present, the members of the Committee may designate one of its members as temporary Chair by majority vote of the Committee members in attendance.

The Committee Chairman, with input from the Chief Audit Executive and the Director of Enterprise Risk Management (“**ERM**”), will prepare and/or approve an agenda, along with appropriate briefing materials, in advance of each meeting. The agenda for each Committee meeting will provide time during which the Committee can meet without the presence of Management (*i.e.*, Executive Session) to discuss any matters that the Committee deems necessary to perform its prescribed responsibilities and duties under this Charter. Executive Sessions of the Committee will be held at the end of each regular Committee meeting or on the call of the Committee Chairman. A record of all matters to be reported to the Board and all actions taken in Executive Session will be recorded by the Committee Chairman or his or her designee and will be retained by the Corporate Secretary, who will preserve, to the extent reasonably possible, the confidentiality of such minutes.

The Committee will appoint a Secretary, who need not be a Director. The Secretary

will keep detailed minutes of each Committee meeting and fully document and maintain records of the Committee's proceedings. The minutes of the Committee meetings will reflect whether an Executive Session was held and if there were any actions or matters to discuss with the Board.

The Committee may request any officer or associate of the Corporation and its subsidiaries, independent counsel, accountants, consultants, or other advisors to attend Committee meetings and provide pertinent information as the Committee deems necessary to perform its prescribed responsibilities and duties under this Charter.

## **VI. RESPONSIBILITIES AND DUTIES**

In addition to the specific responsibilities and duties enumerated in this Charter, the Committee may take such other actions that are consistent with the general scope of its authority set forth in this Charter, the Corporation's By-Laws or Corporate Governance Principles, or as directed by the Board. The Committee will have the following responsibilities and duties in carrying out its stated purposes.

- (i) Oversee and receive periodic reports concerning the Corporation's ERM function, including management's design, implementation, and maintenance thereof.
- (ii) Review and discuss with management the Corporation's ERM Framework and Risk Appetite Statement, which review shall include, among other things, the relationship of the Corporation's risk appetite to the Corporation's strategic objectives, and make recommendations to the Board concerning their approval.
- (iii) Review and discuss with management significant ERM policies, procedures, and practices of the Corporation and its subsidiaries.
- (iv) Monitor, in conjunction with other Board committees, the Corporation's risk profile and exposures, and risk management capabilities, specifically regarding the Corporation's aggregate strategic, compliance, interest rate, liquidity, reputation, credit, price, and operational risks.
- (v) As appropriate, consider and discuss with management the risks associated with new, modified, or expanded products, services, and lines of business.
- (vi) Review and discuss with management the Corporation's periodic Enterprise Risk Assessment and accompanying reports.
- (vii) As necessary, work with and assist other committees of the Board, as well as the boards of the Corporation's subsidiaries and their respective committees, that oversee specific risk-related issues, such as issues related to credit or information security risk.
- (viii) Review and discuss with management the ERM Department's structure, budget, staffing levels, and resource needs.

- (ix) Review and approve, on an annual basis, the Corporation's Contingency Funding Plan and Capital Plan, including any revisions thereto.
- (x) Oversee the stress testing activities of the Corporation and its subsidiaries.
- (xi) Maintain and publish to the Board minutes of each Committee meeting.
- (xii) Regularly report to the Board on (i) the matters addressed at all meetings of the Committee and (ii) such other matters as are relevant to the Committee's discharge of its responsibilities and duties under this Charter. The Committee will recommend action by the Board as the Committee deems appropriate or necessary. The report to the Board may take the form of an oral report by the Committee Chairman or any other member of the Committee designated by the Committee to make such report.
- (xiii) Publicly disclose this Charter and any such amendments at the times and in the manner required by law, and in all events post this Charter and amendments to the Corporation's investor relations website.
- (xiv) Perform any functions or activities required to be performed by it or otherwise appropriate under applicable law, rules or regulations, by the Corporation's By-Laws, and the resolutions or other directives of the Board.
- (xv) Periodically, but at least annually, meet with the Chief Executive Officer, the Chief Audit Executive, and the General Counsel in separate Executive Sessions.
- (xvi) Perform an annual review and evaluation of the effectiveness of the Committee and its members, and provide to the Board for review.
- (xvii) Perform an annual review and evaluation of the effectiveness of, and its compliance with, this Charter, and request Board approval for proposed changes.
- (xviii) Participate in pertinent continuing education and training opportunities.

## **VII. LIMITATION OF THE COMMITTEE'S RESPONSIBILITIES**

While the Committee has the authority, responsibilities, and duties set forth in this Charter, its core function is oversight. It is not the duty of the Committee to design, implement, and maintain an effective ERM Function, which is the responsibility of management.

Each member of the Committee will be entitled to rely, to the fullest extent permitted by law, upon (i) the integrity of those persons or organizations within and outside the Corporation from whom the member receives information, (ii) the accuracy and completeness of the other information provided to the Committee by such persons or organizations, absent actual knowledge to the contrary, and (iii) representations made by management and the Corporation's outside advisors.