

Charter: RISK POLICY & COMPLIANCE COMMITTEE
APPROVED BY: Board of Directors
APPROVAL DATE: February 2026
SCOPE: Butterfield Group
CHARTER SPONSOR: Group Chief Risk Officer
NEXT REVIEW DATE: February 2027

Mandate

The Risk Policy & Compliance Committee (the "Committee") is responsible for providing oversight and advice to the Board of Directors (the "Board") of The Bank of N.T. Butterfield & Son Limited (the "Company") in relation to the current and potential future risk profile of the Company and its consolidated subsidiaries (the "Group") and its future risk strategy, including input, review and approval of risk appetite and tolerance. It also oversees the design, implementation and effectiveness of risk management and measurement strategies across the Group, including adherence with Risk Management Policies and compliance with risk-related regulatory requirements.

1. Authority & Escalation

- 1.1 The Committee operates under delegated authority from the Board.
- 1.2 The Committee may engage independent legal, accounting, or other consultants and advisors to advise the Committee, as it determines necessary, to carry out its duties at the Group's expense. The General Counsel shall receive notification before the Committee engages counsel or external advisors.
- 1.3 The Committee will report to the Board, identifying any matters within its remit for which it considers action or improvement is needed and make recommendations as to the steps for resolution.
- 1.4 At least annually, or as required by applicable rules or regulations, the Committee oversees the effective management of risk-based capital through the Capital Assessment and Risk Profiling ("CARP") process. The Committee also recommends to the Board the amount of capital that the Group requires to adequately cover its anticipated risks.
- 1.5 The Committee receives regular reports from the Group Risk and Compliance Committee ("GRCC"), the Company's most senior management committee responsible for risk governance within the Group's management structure. Accordingly, the Committee will be able to assess the effectiveness of the Group's Credit, Asset and Liability, Provisions and Impairments, and Risk and Compliance committees of the Group's subsidiaries.
- 1.6 The Committee receives recommendations from the GRCC regarding risk appetites, tolerances and other risk-related policies for approval by the Board.

2. Committee Membership

- 2.1 The Committee shall consist of a majority of non-executive Directors, and must consist of a minimum of three non-executive Directors.

- 2.2 Members of the Committee shall be appointed and replaced by the Board and shall hold office until their successors are appointed, until they cease to be Directors of the Company, or resign from the Committee.
- 2.3 The Board shall appoint the Committee Chairperson and may appoint a Deputy Chairperson.
- 2.4 A majority of the members of the Committee shall constitute a quorum, one of whom shall be the Committee Chairperson. If a quorum cannot be obtained, the Board Chairperson may appoint another Director who will have full voting rights.
- 2.5 Alternates for Committee members will not be accepted (except as provided in 2.4 above).
- 2.6 The Committee shall appoint a Committee Secretary who is not a member of the Committee.
- 2.7 A Committee member may resign from the Committee by giving written notice to the Board and may resign Committee membership without resigning from the Board.

3. Committee Proceedings

- 3.1 The Committee Chairperson shall chair the meeting; however, in their absence, the Committee shall choose one of the other Committee members to preside.
- 3.2 The Committee may invite or require other persons to attend meetings where appropriate to assist the Committee in fulfilling its duties.
- 3.3 Meetings of the Committee shall be called by the Committee Secretary at the request of its Chairperson or by a majority of the members of the Committee. The committee shall meet as often as the Committee Chairperson or a majority of the members of the Committee determine necessary, but not less frequently than quarterly.
- 3.4 The Committee shall receive regular reports from the Group Chief Risk Officer regarding the application of the Group's risk management framework and ad hoc reports as requested by the Committee Chairperson.
- 3.5 The appointed Committee Secretary will produce accurate summary minutes of its proceedings in draft form to the Committee members reasonably promptly and shall, at the directions of the Committee Chairperson, promptly distribute to Committee members after each meeting a report summarizing the key matters discussed and resolved at such meeting. Copies of such minutes and reports are to be provided to the Secretary of the Board.
- 3.6 The Committee Chairperson or designate shall report the Committee's activities to the Board regularly, as the Committee deems necessary or advisable.
- 3.7 The Committee will evaluate its performance on an annual basis, and will evaluate its compliance with the Committee's Charter on an annual basis. The Committee will also review this Charter and applicable Group policies and standards annually.
- 3.8 The Committee may create one or more subcommittees and may delegate, at its discretion, all or a portion of its duties and responsibilities to such subcommittees. The Committee may also, in its discretion, delegate a portion of its duties and responsibilities to one or more members of the Committee, who may from time to time act outside of a meeting of the Committee or any established subcommittees, so long as such actions and responsibilities are subsequently notified or ratified by the Committee, as applicable.

4. Principal Duties

It shall be the responsibility of the Committee to:

- 4.1. Promote an enterprise-wide culture that supports appropriate risk awareness, conduct and ethics, and compliance within the Group.
- 4.2. Review, monitor, and understand the risk profile of the Group. This shall be undertaken through the ongoing process of identifying, evaluating, and managing material risks, in particular, longer-term macro and strategic threats to the organization.
- 4.3. Consider management's proposals regarding specific risk appetites and tolerances to be established in relation to the principal business risks that the Group may assume in executing its current and future business strategy on at least an annual basis, and recommend them, if advisable, to the Board for approval.
- 4.4. Review, at least annually, the alignment of the Group's risk appetite statement with statutory requirements, strategic business objectives, and capital planning.
- 4.5. Review and approve, or recommend to the Board for approval, risk management corporate policies as the Committee deems appropriate or required by applicable laws, rules, or regulations.
- 4.6. Review and monitor, as necessary, the operational, regulatory, and reputational risks and impact of sustainability issues on the Group, as well as actions and initiatives taken by management to mitigate and manage risks related to sustainability matters.
- 4.7. Oversee the effectiveness of the processes, principles, and operating procedures through which management identifies, evaluates, and manages risk exposures assumed and assures compliance with applicable laws and regulations, including those associated with the prevention of money laundering and terrorist financing.
- 4.8. Oversee Group cybersecurity risk exposures, including new technologies, cryptocurrencies, blockchain, machine learning, and artificial intelligence associated with existing products and services, and technology-based distribution channels, and the steps taken by management to monitor and mitigate cyber security risk.
- 4.9. Review and if necessary, approve certain risk limits and delegated authorities proposed by management at least annually, including (but not limited to) those relating to interbank exposures, investment exposures, and credit transactions exceeding the limited authority delegated to the Group Credit Committee.
- 4.10. Review the performance of the Group relative to agreed risk appetites and receive reports from the Group's Risk Management, Compliance, and Finance divisions relating to any significant issues that require, or are subject to, remedial action or recommendation arising in the period under review.
- 4.11. Regularly, and at least annually, review management's report on the results of stress and scenario testing performed and the impact of the crystallisation of identified risks and threats to the Group, ensuring; (i) the appropriateness and timing of these analyses; (ii) the adequacy of the methodologies used to simulate

the aggregate risk of loss that the organisation could potentially face *in extremis*; (iii) the sufficiency of the risk mitigation in place or proposed, and; (iv) the sufficiency of management's recommendation relating to the level of capital at risk that should be established (commonly referred to as the Capital Adequacy and Risk Profile process), recommending the results of this process to the Board for approval.

- 4.12. Review the scope and nature of the work undertaken by the Group's Risk Management and Compliance Divisions, the adequacy of the resources and infrastructure supporting the risk management framework, and its overall effectiveness as an independent control function in connection with the management of defined risk exposures of the organization.
- 4.13. Review relevant prudential reports by supervisory authorities related to risk management, and review, approve or recommend to the Board, as appropriate, risk-related matters that regulators have asked the Board to consider or address, and oversee management's remedial and other responsive actions.
- 4.14. Liaise with the members of subsidiary Audit Risk & Compliance Committees to promote consistent practices across such committees, where appropriate.
- 4.15. Annually, consider and review management's recommendations relating to the Group's insurance program and make recommendations to the Board regarding the established lines and limits of coverage.
- 4.16. Assist on other matters that may be referred to by the Board.