



PROSPERITY BANCSHARES, INC.[®]

RISK COMMITTEE CHARTER

I. Purpose

The purpose of the Risk Committee (the “Committee”) of the Board of Directors (the “Board”) of Prosperity Bancshares, Inc. (the “Company”) is to assist the Board in fulfilling its oversight responsibilities with regard to the enterprise-wide risk management of the Company and its subsidiaries, including Prosperity Bank (the “Bank”), and the compliance framework and governance structure that supports it.

II. Authority

The Committee shall have the resources and authority necessary and appropriate to perform its responsibilities and duties enumerated in Section IV of this Charter, including the authority to select and obtain, at the expense of the Company, advice and assistance from internal or external legal, accounting or other experts, consultants or advisers.

In performing their responsibilities, Committee members are entitled to rely in good faith on information, opinions, reports or statements prepared or presented by:

- One or more officers or employees of the Company or the Bank whom the Committee members reasonably believe to be reliable and competent in the matters presented;
- Counsel, independent auditors, or other persons as to matters which the Committee members reasonably believe to be within the professional or expert competence of such person; and
- Other committees of the Board as to matters within its designated authority which committee the Committee member reasonably believes to merit confidence.

In carrying out its oversight responsibilities, each Committee member shall be entitled to rely on the integrity and expertise of those persons providing information to the Committee and on the accuracy and completeness of such information, absent actual knowledge of inaccuracy.

III. Composition and Meetings

A. Composition

The Committee is established pursuant to Article 4, Section 4.1 of the amended and restated bylaws of the Company. The Committee shall consist of three or more directors, as determined by

the Board, each of whom shall meet the independence requirements of the New York Stock Exchange LLC and the Securities Exchange Act of 1934, as amended. At least one member of the Committee must have experience in identifying, assessing and managing risk exposures of large, complex financial firms.

The Committee's members shall be appointed annually by the majority vote of the Board on the recommendation of the Nominating and Corporate Governance Committee of the Board, and may be replaced in the Board's discretion. The Committee will designate one of its members as a Committee Chair but only after affirming that the Chair would qualify as an independent director and:

(i) Is not an officer or employee of the Company and has not been an officer or employee of the bank holding company during the previous three years; and

(ii) Is not a member of the immediate family, as defined in section 225.41(b)(3) of the Board of Governors of the Federal Reserve System's (FRB) Regulation Y (12 CFR 225.41(b)(3)), of a person who is, or has been within the last three years, an executive officer of the Company, as defined in section 215.2(e)(1) of the FRB's Regulation O (12 CFR 215.2(e)(1)).

If a Committee Chair is not designated or present, the members of the Committee may designate a Chair by majority vote of the Committee members in attendance. The members shall serve for such term or terms as the Board may determine or until their earlier resignation, retirement or removal by the Board.

B. Meetings

The Committee shall meet twice per year and otherwise as needed. Meetings shall be held in person or, if necessary, via teleconference.

The Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The agenda for each Risk Committee meeting will provide time during which the Committee can meet separately in executive session with management, the Chief Risk Officer, the Compliance Officer, the independent auditors and as a Committee to discuss any matters the Committee or these groups believe should be discussed.

The Committee may also appoint a Secretary, who need not be a director, and may delegate to the Chair such power and authority as the Committee deems to be appropriate, except such powers and authorities required by law to be exercised by the Committee as a whole.

The Committee may request any officer or employee of the Company or the Bank, or any special counsel or advisor, to attend a meeting of the Committee or to meet with any members of, or consultant to, the Committee.

The Committee shall report at the subsequent Board meeting and make such recommendations as it deems necessary or appropriate.

IV. Responsibilities and Duties

The Committee shall oversee the Company's risk management framework, which must be commensurate with the Company's structure, risk profile, complexity, activities, and size, and which shall include the following;

- a) Review and approve, as needed, policies establishing risk-management governance, risk-management procedures, and risk-control infrastructure for the Company's operations and, where appropriate, challenge management on the proposed structure of such policies;
- b) Review and approve, at least annually, the Company's Risk Appetite Statement and appropriateness of specified risk tolerances and limits;
- c) Oversee the processes and systems for implementing and monitoring compliance with risk-management and risk-control policies and procedures;
- d) Appoint, or recommend to the Board of Directors the appointment of, a Chief Risk Officer with experience in identifying, assessing, and managing risk exposures of large financial institutions. The Chief Risk Officer shall report directly to both the Chief Executive Officer and the Committee, and, in addition to such other duties as may be determined from time to time by the Chief Executive Officer or the Committee, shall be responsible for:
 - i. Ensuring that management has established risk limits on an enterprise-wide basis and is monitoring compliance with such limits;
 - ii. Ensuring the implementation of and ongoing compliance with the policies and procedures establishing risk-management governance, risk-management procedures, and risk-control infrastructure for the Company's operations and the development and implementation of the processes and systems for implementing and monitoring compliance with such policies and procedures;
 - iii. Ensuring that the Company is appropriately managing risk, that there are adequate risk controls in place within the parameters of the Company's risk control framework, and that there is adequate monitoring and testing of those risk controls; and
 - iv. Reporting risk-management deficiencies and emerging risks to the Committee and ensuring that risk-management deficiencies are resolved in a timely manner.
- e) Review the Chief Risk Officer's proposed priorities, budget and staffing plans annually.
- f) Receive and review regular reports from the Chief Risk Officer on at least a quarterly basis regarding risk-management deficiencies and/or emerging risks;

- g) Review the policies of the stress testing processes as frequently as economic conditions or the condition of the Company may warrant, but at least annually, and, where appropriate, challenge management on such policies;
- h) Review and approve, at least annually, the Enterprise Risk Management (ERM) Committee Charter, the ERM Policy, and the Model Risk Management Policy;
- i) Regularly review and, where appropriate, challenge management on reports from the ERM Committee pertaining to material risks to the Company and the actions undertaken or to be undertaken to identify, measure, monitor and control such risks;
- j) Periodically review the status of any pending litigation at and above the levels determined by the Committee;
- k) Review, via tracking reports, the status and adequacy of related response and remediation efforts related to any significant issues arising in the examination reports of the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Bank of Dallas, the Texas Department of Banking, the Consumer Financial Protection Bureau (CFPB) and/or any other applicable federal or state banking regulatory agency or authority; and
- l) Review any other matters that may be delegated to the Committee by the Board.