

SOUTHSIDE BANCSHARES, INC.

RISK COMMITTEE CHARTER

I. Purposes, Resources and General Considerations

The purpose of the Risk Committee (the "Committee") of the Board of Directors (the "Board") of Southside Bancshares, Inc. and Southside Bank (collectively referred to herein as the "Company") is to assist the Board in fulfilling its oversight responsibilities with regard to (i) the risk appetite of the Company, (ii) enterprise-wide risk management and compliance framework and (iii) the governance structure that supports it. Risk appetite is defined as the level and type of risk a firm is able and willing to assume in its exposures and business activities, given its business objectives and obligations to stakeholders.

The primary responsibility of the Committee is to oversee and approve the enterprise-wide risk management practices while assisting the Board in:

- Overseeing that the executive team has identified and assessed key risks the organization faces and has established a risk management framework capable of addressing those risks;
- Overseeing, in conjunction with other Board-level committees or the full Board, if applicable, risks, such as strategic, financial, credit, liquidity, security, property, information technology, legal, regulatory, reputational, and other risks;
- Overseeing the division of risk-related responsibilities to each Board committee as clearly as possible and performing a gap analysis to determine that oversight of any identified risks is not missed;
- In conjunction with the full Board, approving the Company's enterprise-wide risk management framework.

The Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in Section IV of this charter.

II. Composition, Meetings and Procedures

The Committee is established pursuant to Article 3, Section 3.12 of the amended and restated bylaws of the Company. The Committee shall consist of three or more directors, as determined by the Board, a majority of which shall meet the independence requirements ("Independent Directors") which means a director of the Company who is determined to be independent under the NASDAQ Listing Standards. None of the Committee members shall have a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Members of the Committee should have collective risk management skill sets that are commensurate with the Companies' capital structure, risk profile, complexity, activities, size, and other appropriate risk related factors.

The Committee's members shall be appointed annually by the majority vote of the Board on the recommendation of the Nominating Committee of the Board, and may be replaced at the Board's discretion. 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.

III. Committee Meetings and Procedures

The Committee shall meet at least annually, or more frequently as circumstances dictate. The Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Committee may form subcommittees for any purpose the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate provided, however, the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation, or listing standard to be exercised by the Committee as a whole and provided further, that any such subcommittees shall meet all applicable independence requirements and the Committee shall not delegate to persons other than Independent Directors any functions that are required by any applicable law, regulation, or listing standard to be performed by Independent Directors. The Committee shall report, at least annually, to the Board and make such recommendations as it deems necessary or appropriate.

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 or by a subcommittee of at least two members.

The Committee may meet in joint session with the Audit Committee of the Board from time to time to discuss areas of common interest and significant matters including, but not limited to, major investment portfolio issues, frauds, major regulatory enforcement actions, major litigation or whistleblower matters, and systemic technology issues.

The Committee may request any officer or employee of the Company, 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 agenda for each Committee meeting will provide time, as appropriate, during which the Committee can meet separately in executive session with management, the Chief Risk Officer ("CRO"), the Senior Compliance Officer, the independent auditors and as a Committee to discuss any matters the Committee or these groups believe should be discussed.

IV. Specific Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee will:

Enterprise Responsibilities

- Assist in setting the tone and develop a culture of the enterprise vis-à-vis risk, promote open discussion regarding risk, integrate risk management into the organization's goals and compensation structure, and create a corporate culture such that people at all levels manage risks rather than reflexively avoid or heedlessly take them;

- Provide input to management regarding the enterprise's risk appetite and tolerance and, ultimately, approve risk appetite and the statement of risk appetite and tolerance messaged throughout the Company and by line of business;
- Monitor the organization's risk profile – its ongoing and potential exposure to risks of various types;
- Define risk review activities regarding the decisions (e.g., acquisitions), initiatives (e.g., new products), and transactions and exposures (e.g., by amount) and prioritize them prior to being sent to the Board's attention; Monitor all enterprise risks; in doing so, the Committee recognizes the responsibilities delegated to other committees by the Board and understands the other committees may emphasize specific risk monitoring through their respective activities;
- Oversee the risk program/interactions with management;
- Review and approve the risk management infrastructure and the critical risk management policies adopted by the organization;
- Periodically review and evaluate the Company's policies and practices with respect to risk assessment and risk management and annually present to the full Board a report summarizing the Committee's review of the Company's methods for identifying, managing, and reporting risks and risk management deficiencies;
- Continually, as well as at specific intervals, monitor risks and risk management capabilities within the organization, including communication without escalating risk and crisis preparedness and recovery plans;
- Continually obtain reasonable assurance from management that all known key and emerging risks have been identified and mitigated or managed;
- Communicate formally and informally with the executive team and risk management regarding risk governance and oversight;
- Discuss with management and the CRO the company's major risk exposures and review the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies;
- Review and assess the effectiveness of the Company's enterprise-wide risk assessment processes and recommend improvements, where appropriate; review and address, as appropriate, managements corrective actions and deficiencies that arise with respect to the effectiveness of such programs;
- Monitor governance rating agencies and their assessments of the Company's risk and proxy advisory services policies, and make recommendations as appropriate to the Board;
- In coordination with the audit committee, understand how the company's internal audit work plan is aligned with the risks that have been identified and with risk governance (and risk management) information needs;

Chief Risk Officer

- Ensure the Company's CRO has sufficient stature, authority, and seniority within the organization;

- Review the appointment, performance, and replacement of the CRO of the Company in consultation of the nominating committee and the full Board.

Reporting

- Understand and approve management's definition of the risk-related reports that the Committee could receive regarding the full range of risks the organization faces, as well as their form and frequency;
- Respond to reports from management so that management understands the importance placed on such reports by the Committee and how the Committee views their content;
- Read and provide input to the Board and audit committee regarding risk disclosures in financial statements, proxy statements, and other public statements;
- Keep risk on both the full Board and management's agenda on a regular basis;
- Coordinate (via meetings or overlap of membership), along with the full Board, relations and communications with regard to risk among the various committees.

Charter Review

- Review and confirm all responsibilities outlined in the charter have been carried out;
- Review the charter at least annually and update it as needed to respond to new risk-oversight needs and any changes in regulatory or other requirements;
- Review and approve the management-level risk committee charter, if applicable;
- Perform any other activities consistent with this charter, the Company's bylaws, and governing laws that the Board or Committee determines are necessary or appropriate;
- Submit the charter to the full Board for approval.

V. Committee Resources and Authority

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, 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; provided, however, that no single member of the Committee may engage such expert, adviser or consultant.

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 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 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.

VI. Annual Performance Evaluation

Annually, there shall be a performance evaluation of the Committee, which may be a self-evaluation or an evaluation employing such other resources or procedures as the Committee, the Audit Committee, and the Nominating Committee may deem appropriate.

VII. Bank-Level Risk Committee

The Committee, in conjunction with management of the Company, shall establish a risk committee ("Bank Committee") which shall consist of the following members:

1. CRO/Liquidity Manager;
2. Chief Executive Officer;
3. Chief Financial Officer;
4. Senior Compliance Officer;
5. Senior Loan Review Officer;
6. Chief Credit Officer;
7. Senior Credit Analyst;
8. Chief Lending Officer;
9. Director of IT;
10. Corporate Secretary;
11. Chief Audit Executive;
12. Chief Operations Officer;
13. Director of Retail Banking;
14. Human Resources Director; and
15. Wealth Management Department Manager.

The Bank Committee will meet as needed in order to review risks identified in this Charter and other necessary items and report its findings to the Committee as needed.