

CHARTER OF THE RISK COMMITTEE OF THE BOARD OF DIRECTORS OF HILLS BANCORPORATION

I. Purpose and Authority

The Risk Committee (the “Committee”) is established by and among the Board of Directors to properly align with management and the enterprise risk management program of Hills Bancorporation (“the Company”). The primary responsibility of the Committee is to oversee and approve the company-wide risk management practices to assist the Board in:

- Overseeing the management team’s identification and assessment of risks facing the organization and the establishment of a risk management infrastructure capable of addressing those risks.
- Overseeing, in conjunction with other board-level committees or the full board, if applicable, risks such as strategic, credit, market, liquidity, operational, information technology, security, and cyber, legal, reputational, regulatory/compliance, and other risks.
- Overseeing the division of risk-related responsibilities to each board committee as clearly as possible to determine that the oversight of risks is not missed.
- In conjunction with the full board, approving the Company’s enterprise risk management framework.

The Committee shall be provided with the resources and vested with the authority appropriate to discharge its duties and responsibilities and shall have the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal, accounting, or other advisors, as necessary to perform its duties and responsibilities.

In carrying out its duties and responsibilities, the Committee shall also have the authority to meet with and seek any information it requires from employees, officers, directors, or external parties. In addition, the Committee may meet with other board committees to avoid overlap as well as potential gaps in overseeing the Company’s risks.

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

II. Composition of the Committee

The Committee shall be comprised of three or more directors as determined by the Board, each of whom shall satisfy the criteria for independence under the corporate governance requirements of The Nasdaq Stock Market. In determining the composition of the Committee, the Board will consider the experience each member has with respect to risk management expertise, including, for example, background in risk management or oversight applicable to the size and complexity of the organizations activities, attitude toward risk, and leadership capabilities. However, such experience shall not be necessary criteria for appointment to the Committee.

Committee members will be appointed by the Board at the annual organizational meeting of the Board for a three year term. Unless a chairperson is elected by the full board, and if the members choose to elect a chairperson, the members of the committee may designate a chairperson by majority vote.

III. Meetings and Procedures

The Committee will meet quarterly, or more frequently as circumstances dictate. The chairperson, if so designated, will approve the agenda for the Committee's meetings, and any member may suggest items for consideration. Briefing materials will be provided to the Committee as far in advance of the meetings as practicable.

Each regularly scheduled meeting may, when deemed necessary by a Board member of the Committee or the Senior Vice President, General Counsel, conclude with an executive session of the Committee, absent members of management other than the Senior Vice President, General Counsel. As part of its responsibility to foster open communication, the Committee may meet periodically with other members of management in separate executive sessions.

Following each of its meetings, the Committee shall deliver a report on the meeting to the Board, including a description of all actions taken by the Committee at the meeting. The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Board.

IV. Committee Responsibilities

To fulfill its responsibilities, the Committee will:

Enterprise Responsibilities

- Review the design and deployment of the overall risk management framework across the organization, i.e., how it avoids, accepts, reduces, transfers and exploits risk and opportunity.
- Help to set the tone and develop a culture of enterprise risk, promote open discussion regarding risk, and support a culture such that people at all levels manage risks.
- Provide input to management regarding the Company's risk appetite and tolerance and approve risk appetite and the statement of risk appetite and tolerance.
- Monitor the Company's risk profile considering its ongoing and potential exposure to risks of various types.
- Define risk review activities regarding the decisions, initiatives, transactions and exposures and prioritize them prior to being sent to the Board's attention.

- Review and approve the risk management infrastructure and the critical risk management policies adopted by the Company.
- Monitor risks and risk management capabilities within the Company, including communication about escalating risk and crisis preparedness and recovery plans.
- Discuss with management and the Senior Vice President, General Counsel and the Vice President, Risk and Compliance the Company's major risk exposures and review the steps management has taken to monitor and control such exposures.
- Monitor the oversight of the bank's information security program to protect the institution from ongoing and emerging threats, including those related to cybersecurity.
- 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 information needs.
- The Committee shall annually review and recommend to the Board for its approval *The Enterprise Risk Management and Control Policy*.

Administrators of the Risk Management Program

- Ensure that the Company's Senior Vice President, General Counsel and Vice President, Risk and Compliance have sufficient stature and authority within the organization and are independent from individual business units within the organization.

Reporting

- Understand and approve management's definition of the risk-related reports that the Committee could receive regarding the full range of risks the Company 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 regarding risk.
- Report to the full Board, on a periodic basis, a summary of cybersecurity risks and topics addressed by the Committee.

- Keep risk on both the full Board's 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, particularly between the Audit and Risk Committees.

Charter Review

- 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.
- Perform any other activities consistent with this charter, the Company's bylaws, and governing laws that the Board or Risk Committee determines are necessary or appropriate.
- Submit the charter to the full board for approval when significant changes to the charter are proposed.

V. Evaluation of the Committee

The Committee shall, on an annual basis, evaluate its performance under this Charter. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The Committee shall address all matters that the Committee considers relevant to its performance.

VI. Approval of the Charter

This charter was most recently approved by the Board Risk Committee on June 14, 2024.