

Sterling Bancorp, Inc. Sterling Bank & Trust, FSB

JOINT ETHICS AND COMPLIANCE COMMITTEE OF THE BOARD OF DIRECTORS CHARTER

**Version 1.0
4/15/21**

I. Purpose of the Committee

The Joint Ethics and Compliance Committee (the “Committee”) of Sterling Bancorp, Inc. (the “Bancorp”), and Sterling Bank and Trust, FSB (the “Bank”) is a standing committee of the Bancorp and Bank Boards of Directors (hereinafter collectively referred to as the “Board”). The purpose of the Committee is to oversee Management’s efforts to foster a culture of ethics and compliant conduct within the Bancorp and the Bank (hereinafter collectively referred to as the “Organizations”). The Committee’s role is to assist the Board in fulfilling its oversight responsibilities with regard to the Organizations’ ethics and compliance program, recognizing that Management is responsible for continuously reinforcing and championing the Organizations’ sound ethics, responsible conduct, and compliance culture throughout the Organizations’ employee population as follows:

- Promote ethical and compliance accountability throughout each level of the Organizations;
- Provide an open and ongoing communication forum between management, third parties, and the Board to discuss potential ethical issues and/or emerging trends in ethics; and
- Oversee the implementation and ongoing effectiveness of an ethics and compliance culture through all levels of the Organizations’ operations in conjunction with the various other Board committees and Management.

II. Membership of the Committee

The Committee shall be comprised of three or more Directors with the majority of membership being independent Directors, as determined by the Board. The Committee Chair, appointed by the Board, shall be an independent Director. Except as otherwise directed by the Board, a Director selected as a Committee member, shall continue to be a member for as long as he or she remains a Director or until his or her earlier resignation from the Committee. The Board, with or without cause, may remove any member from the Committee at any time.

III. Committee Meetings and Operations

The Committee will meet at the call of the Chair, and the Committee shall convene at least two meetings each year and more frequently, as needed. Agendas for the meeting will be distributed to the Committee prior to the meeting date. The actions of the Committee require a quorum. A presence of a majority of the Committee members shall constitute a quorum. The action of a majority of those present at a meeting at which a quorum is attained shall be the act of the Committee.

The Committee will select a Secretary who will be responsible for taking minutes of the meetings using the Bank’s Meeting Minutes Template. The Minutes will be approved at the subsequent meeting.

The Committee meetings generally will include the Chief Compliance Officer, acting as a Management liaison. However, at the Committee’s discretion, it may meet independently, or in combination with the Chief Executive Officer, President, General Counsel, Chief Risk Officer, Chief Compliance Officer, Head of Human Resources, and other members of Management.

IV. Duties, Responsibilities, and Authority of the Committee

In carrying out its mission, the Committee will have the duties, responsibilities, and authority set forth in this Charter. The Charter is intended to serve as a guide for the Committee, with the understanding that the Committee may carry out additional functions and adopt such other policies and procedures as may be appropriate in light of changing business, regulatory, and other conditions.

The Committee shall have the responsibilities and duties set forth below as well as other matters specifically delegated to the Committee by the Board.

1. Implement and ensure that the Organizations have a robust Ethics and Compliance Program. Monitor, along with the full Board and other Board committees, the Organizations' ethics and compliance culture efforts. While Management ownership of various broad ethical and compliance risks may reside with a separate committee or the full Board, the Committee's advisory and oversight extends to all organizational ethical and compliance conduct risk types.
2. Review and assess the Organizations' strategy, communications, and policies relation to sound ethics, responsible conduct, and compliance culture to determine if further enhancements are needed to align with the desired culture and to foster ethical decision-making by employees.
3. Oversee Management's efforts to support ethical decision-making in the Organizations, evaluate Management's progress, and provide feedback on these efforts.
4. Review and assess the adequacy at least annually of the Organizations' Code of Business Conduct and Ethics and recommend any proposed changes or waivers to the Board for approval.
5. Provide oversight over the Organizations' Ethics and Compliance Program, whose objective is to enhance the Organizations' culture of compliance and control through the management, minimization, and mitigation of the Organizations' ethical and compliance conduct risks. To assist the Committee in this oversight responsibility, Management will report at least annually to the Committee concerning the Organizations' Ethics and Compliance Program.
6. Oversee certain ethical and compliance conduct concerns reported to the Organizations through their whistleblower, customer complaint, and compliance monitoring programs. In furtherance of these responsibilities, the Committee may:
 - Recommend to the Board whether broader investigations should be undertaken;
 - Supervise investigations not covered by other Board and/or Management committees; and
 - Report findings to the Board with any appropriate recommendations for further action.

7. Review, evaluate, and provide guidance related to any ethical concerns referred to the Committee by the Board, individual Directors, and/or Management, as appropriate.
8. Evaluate ethical and compliance conduct risk identification, measurement, control, monitoring, and reporting techniques employed by Management and ensure current methodologies remain commensurate with the Organizations' size and complexity, which includes but is not limited to the following:
 - Provide input to or oversee Management on the implementation and effectiveness of the Organizations' ethics and compliance culture initiatives, including training on ethical decision-making and the processes for the reporting and resolution of ethical issues. The Committee may obtain from the Chief Compliance Officer, Chief Risk Officer, the Head of Human Resources, and any other individual with operational responsibility for the Organizations' ethics and compliance culture initiatives, reports on such initiatives;
 - Provide input to or oversee Management on the quality and availability of data reported to the Committee as needed to manage conduct and culture;
 - Review Conduct Risk Management effectiveness, including ownership of ethical and compliance conduct risk by the first line of defense and that ethical and compliance conduct risk oversight roles and responsibilities are clear across the second line functions;
 - Review any of the Bank's policies and guidelines, including job descriptions, employee evaluations, and incentive compensation, to instill appropriate ethical and compliance conduct in the Organizations' culture, business practices, and employees, including whether the Organizations encourage employees to escalate issues or share feedback without fear of retaliation; and
 - Provide input to or oversee Management with regards to the Organizations' response to behavioral issues and its communications with employees on these issues, including methods to identifying breaches to ensure employees take these measures seriously, and the role that Management plays in establishing cultural reforms and promoting ethical and compliant conduct through all levels of the Bank.
9. Promote the linkage between ethical and compliance conduct risk management and the strategic planning process.
10. Ensure the Chief Compliance Officer (CCO) has adequate stature, authority, resources and seniority within the organization and is independent from individual business units within the Bank to implement the Committee's initiatives. The Chair will provide input to the CEO on the capabilities, performance, and compensation of the CCO as well as have input into his/her succession planning in relation to the CCO's duties arising from this Committee.
11. The Committee will review and approve, at least annually, the following policies, which shall be prepared and implemented by management:
 - Ethics and Compliance Program/Policies; and

- Other policies or procedures as deemed necessary by the Committee.

In carrying out these responsibilities and duties, the Committee shall foster an environment that encourages the CCO or any other employee to raise any risk issues or concerns freely and without concern for retaliation.

V. Reporting of Committee Activities to the Board of Directors

The Chair for the Committee will provide a report of its activities and its recommendations for action and will present this report to the Board of Directors of the Bank at its next meeting subsequent to that of the Committee.

VI. Review of Committee Charter

The Committee will review and reassess the adequacy of its Charter at least annually.

Version Number	Date Approved
1.0	April 15, 2021