

stellar BANCORP, INC.

CHARTER OF THE COMPENSATION COMMITTEE

Effective as of February 26, 2025

This Charter (this “Charter”) of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Stellar Bancorp, Inc. (the “Company”) has been adopted by the Board for the purpose set forth below. Unless the context requires otherwise, all references to the Company in this Charter will include the subsidiaries and affiliates of the Company.

PURPOSE OF THE COMMITTEE

The purpose of the Committee is to assist the Board in its oversight of:

1. The Company’s overall compensation philosophy, structure, policies and programs and assessment of whether the compensation program and structure establishes appropriate incentives to officers and employees and meets the Company’s corporate objectives;
2. Compensation of the Company’s Chief Executive Officer and his or her direct reports, any officer that may be designated by the Committee from time to time, and any other officer of the Company that meets the definition of an “officer” under Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (collectively, the “Executive Officers”);
3. The Company’s human capital management practices and strategies; and
4. Administration of the Company’s equity-based compensation plans for all employees (including the Executive Officers) (each, an “Incentive Plan,” and collectively, the “Incentive Plans”).

COMPOSITION OF THE COMMITTEE

The Committee will consist of at least three directors as determined from time to time by the Board, each of whom will satisfy the independence requirements contained in the rules (the “NYSE Rules”) of the New York Stock Exchange (the “NYSE”), including the additional independence criteria under Section 303A.02(a)(ii) of the NYSE Listed Company Manual, and will also qualify as a “non-employee director” within the meaning of Rule 16b-3 under the Exchange Act. The Committee will comply with all other applicable requirements for compensation committees promulgated from time to time by the SEC and those set forth in the NYSE Rules, the Internal Revenue Code of 1986, as amended (the “Code”), and any other applicable laws, regulations or rules. The Board will determine, at least annually, the eligibility of the Committee’s members.

In addition, in affirmatively determining the independence of any director who will serve on the Committee, the Board will consider all factors specifically relevant to determining whether a director has a relationship to the Company which, in the opinion of the Board, is material to that director's ability to be independent from management in connection with the duties of a Committee member, including, but not limited to the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director, and whether such director is affiliated with the Company, a subsidiary of the Company, or an affiliate of a subsidiary of the Company. When considering the sources of a director's compensation for purposes of Committee membership, the Board should consider whether the director receives compensation from any person or entity that would impair the director's ability to make independent judgments about the Company's executive compensation. When considering any affiliate relationship a director has with the Company, a subsidiary of the Company, or an affiliate of a subsidiary of the Company, in determining independence for purposes of service on the Committee, the Board should consider whether the affiliate relationship places the director under the direct or indirect control of the Company or its senior management, or creates a direct relationship between the director and members of senior management, in each case of a nature that would impair the director's ability to make independent judgments about the Company's executive compensation.

The members of the Committee will be appointed by the Board on the recommendation of the Corporate Governance and Nominating Committee and will serve at the pleasure of and may be removed with or without cause at any time by, the Board, except as otherwise provided in the Company's bylaws. In addition, any director serving on the Committee will automatically cease to be a member of the Committee at the time that he or she ceases to be a director. Any vacancy on the Committee will be filled by the Board.

Unless a Chair is elected by the full Board, the members of the Committee will designate a Chair by the majority vote of the full Committee membership. The Chair will be responsible for the leadership of the Committee, including presiding over meetings and making regular reports to the Board.

DUTIES, RESPONSIBILITIES AND POWERS

The Committee will have the following specific duties and responsibilities:

1. The Committee will review and approve corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluate the Chief Executive Officer's performance in light of those goals and objectives, and determine and approve the Chief Executive Officer's annual compensation, annual incentive opportunities (including equity and non-equity incentives) and any other matter relating to the compensation of the Chief Executive Officer based on this evaluation. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee should consider, among other factors, the Company's performance and shareholder return, the value of similar incentive awards to Chief Executive Officers at comparable companies, and the awards given to the Company's other executive officers.

2. The Committee will review and determine the annual compensation, annual incentive opportunities (including equity and non-equity incentives) and any other matter relating to the compensation of the Executive Officers, including any special or supplemental compensation or benefits, such as supplemental retirement benefits and perks provided during or after the employment of such officers. The Committee will also perform an annual review to determine which individuals meet the definition of Executive Officers.

3. Neither the Executive Chairman nor the Chief Executive Officer may be present for any deliberations or voting with respect to the determination of his or her compensation, but may be present and make recommendations with respect to the compensation of the other Executive Officers. In making such determinations, the Committee shall consider, in addition to relevant market and peer group compensation data, recommendations of the Committee's independent compensation consultant, the Company's strategic goals and objectives, performance metrics, the results of the most recent shareholder advisory vote related to such compensation ("Say on Pay Vote"), or any other factors the Committee deems appropriate.

4. The Committee will review and determine, and make recommendations to the Board with respect to, all employment agreements, non-qualified deferred compensation plans, severance or termination agreements, change in control agreements or similar agreements proposed to be provided to the Executive Officers or entered into between any Executive Officer and the Company.

5. The Committee will periodically review and determine, and recommend to the Board, the Company's compensation philosophy, strategy, and principles with respect to the compensation of the Company's Board and Executive Officers. In this regard, the Committee will periodically review and revise as necessary a peer group of companies against which to assess the Company's compensation programs and practices to ensure that such programs and practices are competitive and support the Company's business strategy and objectives.

6. The Committee will establish policies or practices for the timing of equity grants and monitor compliance with these policies or practices.

7. The Committee will review and determine the establishment of the performance metrics and measures applicable to each performance-based award to be made under any Incentive Plan, and the applicable performance targets and potential payouts for each such performance measure for each such award granted under an Incentive Plan.

8. The Committee will have separate but concurrent authority, except as provided below, to take all actions required or permitted, without any action of the full Board, under the terms of each of the Incentive Plans.

9. The Committee will review and recommend action by the Board on the following matters: (i) the adoption, modification or termination of any Incentive Plan or other executive benefit plan (including employee benefit and incentive plans of the Company's subsidiary, Stellar Bank); (ii) the reservation of authorized and unissued shares of the common stock of the Company for issuance upon the exercise or vesting of grant awards under any of the Incentive Plans, for use in settlement of grants or awards under the Incentive Plans or as contributions or

sales to any trustee of an Incentive Plan; and (iii) the purchase of shares of the common stock of the Company upon exercise or vesting of grants under the Incentive Plans, for use in payments of grants or awards under the Incentive Plans and for transfer as contributions or sales to any trustee of an Incentive Plan. In making such determinations, the Committee shall consider the results of the most recent Say on Pay Vote, as applicable.

10. The Committee will review with the Chief Executive Officer (except with respect to matters directly related to compensation of the Chief Executive Officer) and approve all equity-based and incentive-based compensation payable to all Executive Officers, whether under the Incentive Plans or any other plan, agreement or arrangement. The Committee may also consult with the Chief Executive Officer and/or other members of the management team with respect to the equity-based compensation under the Incentive Plans and any incentive-based compensation payable to employees who are not Executive Officers. Such review and consultation may include establishing criteria for the terms of awards granted to participants under the Incentive Plans, granting awards in accordance with such criteria, and exercising all authority granted to the Board under the Incentive Plans. In making such determinations, the Committee shall consider the results of the most recent Say on Pay Vote, as applicable.

11. The Committee will consult with the Chief Executive Officer regarding a succession plan for the Executive Officers of the Company, including the Chief Executive Officer. As part of this process, the Committee will review the leadership development process for senior management positions. The Committee also will review compensation, incentive and other programs to promote such development. The succession plan will be reviewed annually by the Committee and subsequently by the Board.

12. The Committee will review the performance of the Executive Officers for each fiscal year.

13. The Committee will review annually and recommend to the Board the non-management director compensation program for each year to compensate non-management directors for their service on the Board and Board committees, or on the board or a board committee of any of the Company's subsidiaries.

14. The Committee will at least annually review the overall performance, effectiveness, operation, compliance and administration of the Incentive Plans.

15. The Committee will oversee the assessment of risk associated with the Company's compensation plans, policies and practices and determine whether such policies and practices are reasonably likely to have a material adverse effect on the Company.

16. The Committee will oversee the Company's compliance with SEC rules and NYSE listing requirements regarding the Company's policy for clawback, or recoupment, of incentive compensation.

17. The Committee will have sole and exclusive authority, without prior approval of the full Board, to administer the Incentive Plans with respect to employees and consultants who

are subject to the short-swing profit restrictions of Section 16(b) of the Exchange Act for the purposes and with the intent of having the exemption provided under Rule 16b-3 promulgated under the Exchange Act available to the directors of the Company and those officers of the Company subject to the provisions of Section 16(b) of the Exchange Act.

18. The Committee will oversee and make recommendations to the Board regarding the Company's compliance with SEC rules and regulations regarding shareholder approval of certain executive compensation matters, including advisory votes on executive compensation and golden parachute compensation, and the requirement under the NYSE Rules that, with limited exceptions, shareholders approve equity compensation plans. The Committee will also review any proxy statement disclosures related to any of the foregoing.

19. The Committee will review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, considering applicable rules and regulations and best governance practices. The Committee will review the results of the Company's most recent Say on Pay Vote and the feedback received from shareholders as a result of any engagement efforts undertaken by the Company to determine whether any changes are necessary to the Company's compensation program and policies.

20. In connection with the Company's proxy statement and annual report on Form 10-K, the Committee will review and discuss with management the Compensation Discussion and Analysis ("CD&A") to the extent required by SEC Regulation S-K, Item 402. Based on such review and discussion, the Committee will determine whether to recommend to the Board that the CD&A in the form prepared by management be included in the proxy statement and incorporated by reference in the annual report on Form 10-K. The Committee will also prepare the Compensation Committee Report required by SEC Regulation S-K, Item 407(e)(5) for inclusion in the proxy statement and incorporation by reference in the annual report on Form 10-K.

21. The Committee will oversee the Company's compliance with the requirements set forth in the Guidance on Sound Incentive Compensation Policies issued by the Federal Reserve Board and other federal banking regulators, which include (1) designing, implementing and monitoring incentive compensation plans and arrangements that provide employees with incentives that do not encourage excessive risk-taking beyond the organization's ability to effectively identify and manage risk, are compatible with effective controls and risk management, and are supported by strong corporate governance; (2) ensuring that risk management personnel are involved in designing incentive compensation plans and arrangements and assessing their effectiveness in restraining excessive risk-taking; and (3) overseeing regular internal reviews to ensure that the organization's processes for achieving and maintaining balanced incentive compensation plans and arrangements are consistently followed. The Committee will meet, at least annually, with the Company's Risk Committee to discuss and report the Committee's risk assessment in relation to the Company's incentive compensation policies, plans and programs.

22. The Committee will perform any other responsibilities consistent with this Charter, the Company's corporate governance documents, applicable laws and regulations and

the NYSE Rules, as the Committee or the Board deems necessary or appropriate and will report to the Board regarding its actions and activities.

23. The Committee will maintain a written charter which details its purpose and responsibilities and make such charter available on the Company's website and disclose the web address of such charter in the Company's proxy statement every three years.

24. The Committee will review, at least annually, the adequacy of this Charter and recommend any proposed changes to the Nominations and Corporate Governance Committee, and the Board. The Committee will conduct, and report to the Board the results of, an annual performance evaluation of the Committee, which evaluation will compare the performance of the Committee with the requirements of this Charter.

COMMITTEE GOVERNANCE

The Committee will meet at such times as it determines to be necessary or appropriate to carry out its duties and responsibilities, but at least twice annually. The Chairman of the Board, the Chair of the Committee, or a majority of the Committee members may call meetings of the Committee. A majority of the Committee members will constitute a quorum for the conduct of business at Committee meetings. Committee members may attend meetings of the Committee telephonically or by video conference. The affirmative vote of a majority of the Committee members present in person or by means of conference telephone or other communications equipment by which all persons participating at the meeting can hear each shall constitute the act of the Committee. Except as otherwise provided in this Charter or the Company's bylaws, the Committee will be governed by the same rules regarding meetings, actions without meetings, notice, waiver of notice, quorum and voting requirements applicable to the Board under the Company's bylaws.

The Chair of the Committee (or his or her designee) will preside at each meeting of the Committee and, in consultation with the other members of the Committee and subject to this Charter, will set the frequency and length of each meeting and the agenda of items to be addressed. The Committee may invite any director, officer or employee of the Company or its subsidiaries, and such other persons (including professional advisors) as it deems appropriate, to attend its meetings (or portions thereof) or to meet with or provide relevant information to any members of, or consultants to, the Committee. The Committee will have the opportunity at any meeting of the Committee to meet in executive session without the presence of management. The Committee will keep regular minutes and records relating to its meetings and will report regularly to the Board on its activities, as appropriate.

ACCESS AND RESOURCES

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities with full access to all books, records, facilities and personnel of the Company and its subsidiaries. The Committee will have all resources and authority appropriate to discharge its duties and responsibilities, including the sole discretion to obtain, retain, approve the fees and other retention terms of, and terminate any special or

independent counsel, accountants or other experts or advisors, including compensation consultants (each, an “Advisor”), as it deems appropriate to carry out its duties. The Company will provide funding, as determined by the Committee, for payment of reasonable compensation to any Advisors retained by the Committee. The Committee will be directly responsible for the appointment, compensation and oversight of the work of any Advisor it retains. To the extent required by the NYSE Rules, the Committee may select or receive advice from an Advisor only after taking into consideration all factors relevant to the Advisor’s independence from management, including the following factors set forth in the NYSE Rules:

- the provision of other services to the Company by the person that employs the Advisor;
- the amount of fees received from the Company by the person that employs the Advisor, as a percentage of the total revenue of the person that employs the Advisor;
- the policies and procedures of the person that employs the Advisor that are designed to prevent conflicts of interest;
- any business or personal relationship of the Advisor with a member of the Committee;
- any stock of the Company owned by the Advisor; and
- any business or personal relationship of the Advisor or the person employing the Advisor with an executive officer of the Company.

Although the Committee is required to consider these factors and assess the independence of any Advisor (other than any in-house legal counsel) that provides advice to it, the Committee is free to select or receive advice from an Advisor that is not independent. To ensure the independence of any compensation consultant or other Advisor retained by the Committee, the Committee may pre-approve all services performed by such Advisor for the Company in connection with the foregoing. The Company will also provide appropriate funding for ordinary administrative expenses of the Committee that are necessary in carrying out the duties of the Committee. Notwithstanding the foregoing, nothing in this Section will require the Committee to implement or act consistently with the advice or recommendations of any Advisor or affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.

Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.

Nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the members of the Committee, except to the extent otherwise provided under applicable laws and regulations.

DELEGATION OF AUTHORITY

The Committee may, in its discretion, form and delegate all or a portion of its authority to individual Committee members or to subcommittees, except any such power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole; provided, that, any such subcommittees shall be comprised entirely of independent directors. Subject to the requirements contained in the applicable Incentive Plan, the Committee may also, by resolution of the Committee, delegate to one or more Executive Officers, separate but concurrent authority, to the extent specified in such resolution, to administer the Incentive Plans with respect to employees of the Company and its subsidiaries and consultants who are not subject to the short-swing profit restrictions of Section 16(b) of the Exchange Act, except any such power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

Approved by the Board the 26th day of February, 2025