

**Chemical Financial Corporation
Chemical Bank
Risk Management Committee Charter**

Last Reviewed:	January 2019
Last Revised:	January 2019
Last Board Approved:	January 2019
Exec Management Responsibility:	Chief Risk Officer
Document Number	CH - 34

I. PURPOSE

This Charter sets forth the organization and operation of the Risk Management Committee (the “Committee”) of Chemical Financial Corporation (the “Company”) and Chemical Bank (the “Bank,” which may be collectively referred to in this Charter with the Company as the “Company”) and has been approved by each of the Company’s and the Bank’s Board of Directors (collectively, the “Boards”). This Committee shall be a joint committee of the Company and the Bank. Amendments to this Charter shall be approved by the Boards. The Committee shall provide assistance to the Boards in fulfilling their oversight responsibility relating to the Company’s assessment of the adequacy of the management of risks. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention, with full access to all books, records, facilities, and personnel of the Company, and may retain outside counsel, consultants or other experts for this purpose whose expenses shall be paid by the Company.

II. MEMBERSHIP AND ROLE OF OFFICERS

The Committee shall be comprised of at least three directors, one of whom shall be designated as Chairperson. Committee members shall be nominated by the Corporate Governance and Nominating Committee and appointed by the Boards. All Committee members shall be independent of management and the Company in accordance with applicable statutes, regulations, and rules of self-regulatory organizations. A Committee member may be removed for any reason following a majority vote of the Boards. If a director serving on the Committee ceases to be a director of the Company, such individual shall immediately cease to serve on the Committee. The Chief Risk Officer shall report directly to the Committee, and the Company’s executive officers shall serve as a resource to the Committee and provide advice, information, analysis and documentation to the Committee upon request.

III. AUTHORITY AND RESPONSIBILITIES

The Committee has the full power and authority to perform the responsibilities of a public company risk management committee under applicable law, regulations, the listing standards of The NASDAQ Global Market or any other national exchange on

which the Company's common stock is traded, and public company custom and practice.

The primary responsibilities of the Committee are as follows:

- Monitor the effectiveness of the Company's risk management policies, programs and framework.
- Monitor and understand changes to the risk profile of the Company, with a focus on the key risks faced by the Company, and shall escalate to the Boards any matters of concern for discussion and potential action.
- Monitor the establishment of risk appetites on at least an annual basis and then to oversee and assess the adequacy of the Company's management of key risks in comparison to the risk appetites, including review the Company's enterprise risk management model and risk assessment.
- Review and approve the key risks of the Company, and ensure they are taken into account in the applicable risk appetites and the enterprise risk management plan.
- Review and approve the Company's policies and programs relating to risk management.
- Ensure the independence of the Company's risk management function.
- In coordination with the Audit Committee and as needed, evaluate applicable portions of the Company's internal audit work plan to ensure it is aligned with key risks that have been identified and with risk governance (and risk management) information requirements.
- Support management by overseeing the facilitation and coordination of Enterprise Risk Management activities, and ensure managerial and employee responsibility for risk management, including training programs.
- Review periodically management's practices to address and mitigate various risks and make recommendations to the Boards regarding strategies and overall risk tolerance of the Company.
- Require stress tests where appropriate of various types and severities to determine potential impacts on the Company's capital, financial, and risk positions and review the results thereof. These stress tests will include capital and liquidity stress testing processes, including methodologies, models and planning assumptions under applicable regulatory requirements (including the

Federal Reserve's Dodd-Frank Act Stress Test (DFAST) guidelines to the extent applicable).

- Initiate corrective actions with management in any areas of risk as deemed appropriate by the Committee.
- Credit Review. The Committee shall be responsible for the appointment, performance evaluation, compensation determination, and termination of the "Loan Review Manager," and shall approve the annual Credit Review Plan, including the financial budget for and staffing of Credit Review. The Loan Review Manager shall report regularly to the Committee on the Credit Review function and provide to the Committee any significant Credit Review reports and management responses.
- Review and monitor updates from management regarding Regulatory, Legal and Compliance/CRA/Fair Lending issues.
- Review and monitor insurance coverages, fraud prevention practices and procedures, physical security, information security and cyber security.

IV. MEETINGS AND DELEGATION OF AUTHORITY

- Duties of Chair. The Chair (or in the Chair's absence, his or her designee) shall preside at all meetings of the Committee and perform any duties as may be assigned by the Boards from time to time. The Chair shall also be responsible for ensuring that key actions taken and significant matters discussed by the Committee are reported to the Boards on a regular basis.
- Meetings. Meetings of the Committee shall be held at least quarterly at the time and place as the Boards or Committee determines. The Committee may invite any director, officer or employee of the Bank or any outside consultant or adviser to attend any meeting of the Committee or to meet with any members of the Committee at any time.
- Minutes. The secretary of the Committee (or any designee of the Chair) shall maintain minutes and other relevant records of the meetings and activities of the Committee. The minutes shall be available for review by the Boards and any regulatory agency having jurisdiction over the affairs of the Company. At any time where the secretary is not present, the Chair shall act as secretary or designate an acting secretary of the Committee for the purpose of recording the minutes of actions taken at the meeting or executive session thereof.
- Annual Review of Charter; Amendments. The Committee shall review and assess the adequacy of this Charter annually and recommend any proposed

changes to the Boards for approval. This Charter may be amended only by the Boards.

- **Delegation of Authority.** This Committee may form, and delegate its authority hereunder (as delegated by the Boards) to subcommittees when appropriate. The Committee may also delegate responsibility for the assessment of certain risks to various committees of management or the Boards, which shall report and make recommendations to the Committee concerning specific areas of risk. Such committees shall include, without limitation, the Credit Administration & Risk Committee, which shall assess credit risk in conjunction with the Committee, the Asset/Liability Committee, which shall assess liquidity and market risk in conjunction with the Committee, and other committees that may be assigned risk-related responsibilities from time to time. The Committee shall remain responsible for the coordination of the assessment of risks among the various committees, and shall be responsible for ensuring that the Company has adequate procedures and processes for assessing risk across all of the Company's operations.
- **Executive Session.** At the direction of the Committee chairperson, the Committee may hold an executive session outside the presence of the Company's executive officers.

V. ADVISORS

The Committee has authority to engage consultants, advisors and legal counsel at the expense of the Company. The Committee has authority to approve contracts with and payment of fees and other compensation of consultants, advisors and legal counsel. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to any consultants, advisors or legal counsel employed by the Committee and ordinary administrative expenses of the Committee.