

**HOMESTREET, INC.**  
**ENTERPRISE RISK MANAGEMENT COMMITTEE CHARTER**

**ORGANIZATION:**

The membership of the HomeStreet, Inc. (“HMST”) Enterprise Risk Management Committee (“ERMC” or “Committee”) shall at all times consist solely of independent directors of the Company. For purposes of this Charter, “Company” shall mean HomeStreet, Inc. and its subsidiaries, including HomeStreet Bank (“Bank”) and HomeStreet Capital Corporation. The definition of independence shall comport with the definition as provided in the Nasdaq rules as they apply to the independence requirements for audit committees. The independence criteria shall be reviewed annually by the Board for each existing and potential member of the ERMC, with the resulting determinations documented in the Board meeting minutes.

The ERMC shall be comprised of at least three members at all times.

A quorum will consist of a majority of voting members.

**MEETING AND RECORDKEEPING REQUIREMENTS:**

The ERMC will meet at least quarterly, either in person or telephonically, and at such times and places at the ERMC determines. If a matter requires urgent attention, materials may be circulated via email to Committee members for review and approval outside of formal meetings. The Committee will meet separately in executive session, at least annually, with the Chief Risk Officer. The Committee will maintain written minutes and other relevant records of its meetings and deliberations which will be maintained at Company's Corporate Office.

The ERMC will coordinate, as deemed appropriate, (through joint sessions or overlap of membership) with the Audit or Human Resources and Corporate Governance committees of the Board of Directors to discuss areas of common interest and significant matters regarding the Company's processes for risk assessment, risk management, and actions taken by management to monitor, control, and remediate such exposure(s).

The Committee Chair will report to the full Board on the Committee's activities following each meeting, and all actions taken by the ERMC are subject to approval by the Board.

**RESPONSIBILITIES:**

The Committee shall provide assistance to the Board of Directors in fulfilling its responsibilities regarding the Company's enterprise risk management practices with respect to:

- 1) Establishing and maintaining the enterprise-wide risk management framework and promoting the risk management culture within the Company.
- 2) Evaluating and providing oversight for management's identification and assessment of the significant risks that the Company faces and the related infrastructure required to address such risks.
- 3) Making recommendations to the full Board concerning the Company's risk appetite.
- 4) Overseeing policies and monitoring compliance with those policies as they relate to the Company's regulatory requirements not overseen by other Board committees.
- 5) Overseeing the Company's compliance with legal and regulatory requirements.

The Committee shall have the authority to conduct or authorize reviews into any matters relating to the scope of its responsibilities and to obtain, at the Company's expense and selected by the Committee without prior permission of the Board of Directors or management, advice and assistance from outside experts and other advisors as it determines appropriate to assist in the full performance of its functions. The Committee shall obtain such information and resources from management as the Committee determines reasonably necessary and prudent to fulfill the responsibilities and duties of the Committee as stated herein.

Notwithstanding the foregoing, the Committee's scope is one of oversight, with management being responsible for the design, implementation, and maintenance of an effective enterprise risk program.

The Committee will fulfill its responsibilities through performance of the following functions and duties, together with such other functions and duties as the Committee may deem necessary and appropriate from time to time.

## **DUTIES:**

### Risk Oversight and Reporting:

- Define, in conjunction with the Board of Directors and management, the Company's risk appetite and tolerances for risk of the Company.
  - Oversee management's development and implementation of an enterprise-wide risk management framework, with an enterprise view of risk appetite, risk tolerances, risk targets, and risk limits that ensures credit, interest rate risk, liquidity, price, operational, compliance/legal, strategic, and reputation risks are consistently and appropriately identified, measured, monitored, managed, and reported in a timely and consistent manner, including management's ongoing view of its internal control environments.
- Annually, review and approve the Enterprise Risk Assessment for the Company that is a component of the consolidated strategic plan, including the capital plan.
- Review and approve the quarterly update to the Enterprise Risk Assessment.
- Monitor the Company's risk profile and the ongoing and potential exposure to material risks of various types. This includes, but is not limited to a review of:
  - Significant risk exposures.
  - Key risk indicators and risk dashboard reports.
  - Control deficiencies or vulnerabilities.
  - Open significant issues and the resolution of these issues.
  - Overall capital adequacy and capacity within the context of the approved risk limits and actual results.
- Review and approve, at least annually, risk-related policies:
  - Enterprise Risk Management Policy.
  - New or Expanded Product, Policy, or Services Policy.
- Oversee Transactions with Affiliates activities, including:
  - Review and approve, at least annually, the Transactions with Affiliates Policy for HomeStreet, Inc.
  - Review, at least quarterly, reporting on Transactions with Affiliates activities.
- Oversee Consecutive Time Off/Sensitive Positions, including:
  - Review and approve, at least annually, the Consecutive Time Off/Sensitive Position Policy.
  - Review, at least quarterly, the Report of Exceptions to the Consecutive Time Off/Sensitive Position Policy.

- Oversee the Company's insurance coverage and risk exposure and receive reports at least annually.

#### Information Technology and Corporate Security Oversight and Reporting:

- Review and approve, at least annually, the Corporate Security Policy, including:
  - Corporate Security Program
  - Corporate Information Security Program
  - Corporate Business Continuity Program and Business Impact Analysis
  - Vendor Management Program
- Review reports from management on each Program at least annually.
- Review annual Physical Security Report.
- Approve the initial appointment of the Security Officer and ratify/reaffirm that appointment annually.
- Approve the initial appointment of the Chief Information Security Officer and ratify/reaffirm that appointment annually.
- At least quarterly, review the status of technology operations and progress against strategic plans.

#### Compliance/Fair Lending Oversight and Reporting:

- Review the results of regulatory examination reports and management's responses thereto and monitor, at least quarterly until remediated, the implementation of corrective measures as agreed to by management.
- Review and approve, at least annually, the Company's Compliance Management System Policy, Fair Lending Policy, and other compliance policies as deemed necessary.
- Review, at least quarterly, reporting on the adequacy of the Compliance Management System Program, including material compliance risks and initiatives.
- Approve the initial appointment of the Chief Compliance Officer and ratify/reaffirm that appointment annually.
- Approve the initial appointment of the Fair Lending Officer and ratify/reaffirm that appointment annually.
- Discuss with management significant areas of legal and compliance matters and the steps management has taken to monitor or control such matters.
- Monitor the implementation of changes in significant regulation and impact upon significant risk(s) throughout the Company.
- Receive annual Compliance and Fair Lending training.

#### Model Risk Management Oversight and Reporting:

- Receive and review quarterly model risk management reporting.
- Review and approve, at least annually, the Model Risk Management Policy.

#### Other:

- Annually review the performance, compensation and independence of the Chief Risk Officer, who shall report directly to the Committee Chair.
- Review, at least annually, the Committee's Charter and recommend any proposed changes to the Board for approval.
- Review the Committee's Work Plan annually.

- Review, at least annually, the ERM's own performance.
- Receive periodic training on topics to be determined by Committee members.