

**FIRST REPUBLIC BANK**  
**DIRECTORS' ENTERPRISE RISK MANAGEMENT COMMITTEE CHARTER**

**PURPOSE:**

The purpose of the Directors' Enterprise Risk Management Committee ("Committee") is to provide oversight of the Company's enterprise-wide risk management framework, including the strategies, policies, procedures, and systems, established by management to identify, assess, measure, and manage the major risks facing the Company. The Committee shall assist the Board and its other committees that oversee specific risk-related issues and serve as a resource to management, including the Company's Chief Risk Officer and management's Bank Enterprise Risk Management Committee ("BERM"), by overseeing risk across the entire Company and across all risk types (see Exhibit A for Core Risk Categories) and by enhancing management's and the Board's understanding of the Company's overall risk assessment and risk appetite as well as enterprise-wide risk management activities and effectiveness.

While the Committee has the authority and responsibilities set forth in this Charter, management is responsible for designing, implementing and maintaining an effective risk management framework.

**MEMBERSHIP AND MEETINGS:**

The Committee is comprised of a minimum of three Board members and meets at least three times per year. Special meetings may be called. Committee members are appointed by the Board on the recommendation of the Corporate Governance and Nominating Committee and may be replaced by the Board. At least one member of the Committee should have "risk management expertise" commensurate with the Company's capital structure, risk profile, complexity, activities, size and other appropriate risk-related factors. To ensure appropriate oversight of enterprise-wide risk management issues without unnecessary duplication, as well as to foster cross-committee communication regarding risk issues, it is expected that the Chairs of each of the Board's four other standing committees, consisting of the Audit Committee, Investment Committee, Corporate Governance and Nominating Committee, and Compensation Committee will coordinate closely.

Except for the Bank's Chairman and CEO, the members of the Committee shall each have been determined by the Board to be "independent" under the rules of the New York Stock Exchange and any other applicable regulatory authority and shall meet all applicable experience requirements imposed by any applicable regulatory authority.

The Committee shall meet at least three times each year, and more frequently as determined to be necessary or appropriate by the DERM or the Board. The Chair, or at least two other members of the Committee, has the authority to call special meetings of the Committee. A majority of the members of the Committee present at a meeting shall constitute a quorum.

All determinations of the Committee shall be made by a majority of its members present at a duly convened meeting. In lieu of a meeting, the Committee may act by unanimous written consent.

**AUTHORITY AND RESPONSIBILITIES:**

1. The Committee shall oversee and receive reports on the Company's enterprise-wide risk management framework and structure.
2. The Committee shall review and discuss management's assessment of the Company's aggregate enterprise-wide risk profile and the alignment of the Company's risk profile with the Company's strategic plan, goals and objectives.
3. The Committee shall review and recommend to the Board the articulation and establishment of the Company's overall risk tolerance and risk appetite, and receive reports from management and, if appropriate, other Board committees, regarding the Company's policies and procedures relating to the Company's adherence to risk limits and its established risk tolerance and risk appetite.
4. The Committee shall receive reports from management, including the Chief Risk Officer and the BERM committee and, if appropriate, other Board committees, regarding matters relating to risk management and/or the Company's risk and compliance organization, including emerging risks and other selected risk topics and/or enterprise-wide risk issues.
5. The Committee shall perform such other duties and responsibilities as may be directed by the Board or required by applicable laws, rules or regulations.
6. In performing its responsibilities, the Committee is authorized to obtain advice and assistance from internal or external legal, accounting or other advisors at the Company's expense without prior permission of the Board or management.
7. The Committee may, in its discretion, form and delegate all or a portion of its authority to subcommittees.
8. Review and discuss with management significant regulatory reports of the Company and its subsidiaries related to the Enterprise Risks and remediation plans related to such Enterprise Risks.
9. Meet with the Audit Committee or other committees of the Board on topics of common interest as the need arises.
10. The Committee shall make regular reports to the Board summarizing the actions taken at Committee meetings.

11. The Committee shall periodically review its own performance and assess the adequacy of this Charter. The Committee may recommend amendments to this Charter at any time and submit amendments for approval to the Board.
12. The Committee has oversight responsibility for the Information Technology (“IT”) function at the Bank from the Audit Committee of the Board. These duties include:
  - Periodically review the Bank’s IT Roadmap and materials related to significant projects planned and budgeted costs;
  - Approve the Information Security Program and review the following components of the program at least annually, or more often as directed by the Committee or the Board:
    - Gramm-Leach Bliley Act (GLBA) Risk Assessment;
    - Information Security Enterprise Risk Assessment (ISERA) Report;
    - Information Assurance and Protection Program (IAPP);
    - Enterprise-level disaster recovery and business continuity;
    - Information Security Risk Management and Crisis Management Team plans, assessments, reports, tests or exercises; and
  - Review of audit or regulatory exam findings and progress toward completing satisfactory remediation of any deficiencies or other matters requiring attention or improvement.
13. Effective December 2013, the Committee will have specific oversight for the Bank’s BSA/AML Program, including:
  - At least once every six months, or more often as directed by the Committee or the Board, review the Bank’s BSA/AML Program including the BSA/AML risk assessment;
  - At least once every six months, or more often as directed by the Committee or the Board review the Bank’s ongoing compliance with the BSA/AML Program, including designation of the Bank’s BSA/AML Officer, the maintenance of appropriate BSA/AML internal controls, an ongoing training program for personnel, and, in coordination with the Audit Committee, independent testing for BSA/AML compliance, all on behalf of the Board;
  - Oversee the activities of the BSA/AML Officer, who shall report to and have direct access to the Committee and shall also administratively report and have direct access to the Bank’s General Counsel and shall attend DERM meetings related to BSA/AML issues;

- Require reports, at least quarterly, from the BSA/AML Officer regarding compliance with each component of the BSA/AML Program and applicable laws and regulations governing BSA/AML compliance, and any significant legal and regulatory exposures or concerns identified by management, or the BSA/AML Officer, or federal or state regulators;
- Communicate with other Bank officers as appropriate to obtain additional input on operation of the BSA/AML Program, including any deficiencies or concerns; and

Oversee and monitor the overall performance of the BSA/AML Program, including, without limitation, all actions taken to address identified legal or regulatory exposures or concerns.

**First Republic Bank  
Core Risk Categories**

**Exhibit A**

1. Capital / Capital Management Risk
2. Credit Risk
3. Liquidity Risk
4. Interest Rate / Market Risk
5. Strategic Risks
6. Reputational / External Event Risk
7. Financial Reporting Risk
8. Operational Risk
9. Information Technology Risk
10. Legal / Regulatory / Compliance Risk
11. People Risk
12. Fiduciary Risk