



Risk Committee Charter

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Policy Owner	Risk Committee, CFO

I. PURPOSE

This Charter sets forth the organization and operation of the Risk Committee (the "Committee") of ChoiceOne Financial Services, Inc. (the "Company") and has been approved by the Company's Board of Directors (the "Board"). Amendments to this Charter shall be approved by the Board. The Committee shall provide assistance to the Board in fulfilling its oversight responsibility to shareholders, potential shareholders, the investment community, and others relating to the Company's assessment of the adequacy of the management of key risks, including credit risk, asset/liability risk, liquidity risk, and operational risk. 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 or other experts for this purpose.

II. MEMBERSHIP

The Committee shall be comprised of at least three directors, one of whom shall be designated by the Board as Chairperson. Committee members shall be nominated by the Governance and Nominating Committee and appointed by the Board. Members of the Committee need not be an "Independent Director" as defined by Nasdaq Stock Market Listing Standards. A Committee member may be removed for any reason following a majority vote of the Board.

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, rules of self-regulatory organizations, and public company custom and practice.

The primary responsibility of the Committee is to oversee and assess the adequacy of the Company's management of key risks including credit risk, asset/liability risk, liquidity risk, and operational risk. The Committee is also responsible for monitoring the Company's risk management profile and obtaining reasonable assurance of adherence to the Company's risk management policies. The Committee may delegate responsibility for the assessment of certain risks to various committees of management and/or the Board, which shall report and make recommendations to the Committee concerning specific areas of risk. Such committees shall include without limitation the Directors' Loan Committee and the Asset/Liability Management Committee. 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. The Committee shall have the authority and responsibilities set forth below.

With respect to the Company's operational risk management, the Committee shall:

- Review and approve the Company's policies relating to risk management;
- Review and approve the Company's plans and/or programs relating to risk management;
- Monitor the effectiveness of risk management programs, including credit, asset/liability, and operational risk management and controls;
- Review the process for communicating standards of conduct and ethics to the Company's employees;
- Monitor the Company's significant risk exposures, as well as the potential financial and other impacts from such risks;
- Review the Company's cybersecurity risks and the steps management has taken to protect against threats to the Company's information systems and security;
- Keep informed of the Company's business operations and conditions to identify potential future risks and ensure plans are in place for addressing these risks as appropriate;
- 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;
- Review other areas of risk or concentrations as appropriate;
- Review and monitor compliance with laws, regulations, and operational policies;
- Review and monitor insurance coverages, fraud prevention practices and procedures, and physical and data security; and
- Initiate corrective actions with management in any areas of risk as deemed appropriate by the Committee.

In connection with the Company's lending activities, the Committee shall oversee the Directors' Loan Committee in its reviews of information and monitoring of the effectiveness of the management of the Company's lending activities, including:

- Lending and underwriting standards;
- Asset quality;
- The amount, nature, characteristics, concentration, and quality of the Company's loan portfolio;
- Conditions that may materially impact the loan portfolio; and
- Actions taken on loans to the Company's directors and officers.

In connection with the Company's asset/liability management activities, the Committee shall oversee the Asset/Liability Management Committee in its review of information and monitoring of the effectiveness of the management of asset/liability management activities, including:

- Strategies and other relevant issues related to financial market activities and environment;
- Financial position, forecasts, and business performance;
- The amount, nature, characteristics, concentration, and quality of the Company's investment portfolio;
- Strategies for and position of the Company's interest rate risk and balance sheet management, including risk related to market value of equity and net interest income;
- The adequacy and usage of the Company's debt, liquidity, funding, and derivatives, if any;
- Market risk stress testing and back testing of results; and
- Counterparty exposure monitoring and reporting.

In connection with the Company's liquidity and capital management activities, the Committee shall:

- Monitor capital management to provide reasonable assurance that the Company holds sufficient capital against the various risks and is in compliance with the Board's capital plan and established capital adequacy goals and regulatory requirements; and
- Review reports on capital levels including the major assumptions and primary determinants of change.

The Committee shall also:

- When determined by the Committee to be necessary or appropriate, establish subcommittees of the Committee with such powers and authority as specifically determined and delegated by the Committee;
- Keep minutes and provide the Board of Directors with regular reports regarding the Committee's decisions, actions and recommendations;
- Undertake such other duties and responsibilities as required by applicable statutes, rules, and regulations; and
- Coordinate with the Audit Committee to review and discuss audit/examination results related to risk management activities and review management responses for correcting lending, asset/liability management, and operational deficiencies.

The Committee also has and will have any additional powers, authority and responsibilities that are delegated to the Committee by the Board of Directors. The powers, authorities and responsibilities of the Committee that relate to specific laws, regulations and rules shall continue and apply to any applicable successor or amended laws, regulations and rules.

The Committee will review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.

IV. 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.

V. ROLE OF OFFICERS

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.

VI. SCOPE OF RESPONSIBILITY

The Committee has the authority and responsibilities set forth in this Charter. In discharging his or her duties, each member of the Committee is entitled to rely on information, opinions, reports and statements, including financial statements and other financial data prepared or presented by officers, employees, legal counsel, accountants, and other persons. The duties and responsibilities of a member of the Committee are in addition to those duties applicable to members of the Board.