

## RISK COMMITTEE CHARTER

### 1. Mission Statement

**1.1.** The Risk Committee serves as a forum for the senior management of the Firm to review all material risk exposures. From time-to-time the Chief Risk Officer may request the Risk Committee to approve and review certain new risk taking activities.

#### **1.2. Committee Structure**

The Risk Committee consists of the Executive Committee, the Chief Risk Officer and the Chief Financial Officer.

#### **1.3. Definition of Risks Reviewed**

The Risk Committee reviews risks on a very granular basis including, Risk Appetite usage versus limits; VaR; counterparty credit exposures by region, product, sector and ratings, top investment grade and non-investment grade names; large exposures: investment grade; non investment grade; principal transactions; workout; equities; pipeline (mandated, contingent, conditional); Firm relationship loans that are new or significant Firm relationship loans coming up for renewal; and other topics of interest as identified by the Chief Risk Officer.

### 2. Accountability of Committee

**2.1. Reporting Accountability:** The Risk Committee reports to and has been granted authority by the Chairman of the Board of Directors of the Firm.

**2.2. Code of Authorities:** The Chairman and Chief Executive Officer of the Firm is the Chairperson of the Risk Committee.

### 3. Membership

**3.1. Membership goals and purpose:** Committee Members are the Executive Committee of the Firm, the Chief Risk Officer and the Chief Financial Officer. These members ensure that all business areas and regions of the Firm are represented as part of the review process.

**3.2. Functional Members:** The Risk Committee shall include members from the following functional and/or business areas:

Function /Business Area
Chairperson/Chairman and Chief Executive Officer
Chief Administrative Officer or designee from Executive Committee, as appropriate
Chief Risk Officer (Executive Officer/Secretary)
Chief Financial Officer

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### 3.3. Member Names and Alternate Members: Please see Appendix 1

3.3.1. **Additional participants:** Where the risks involve an issue which requires Firm personnel with a particular expertise, the Chairperson may request that such personnel participate in the Risk Committee.

3.3.2. **Designees:** The Primary Contact may assign a designee to represent their functional area in meetings of the Risk Committee if they are unable to attend.

3.3.3. **Referral to Committee:** An ad hoc group of Committee Members may meet informally to determine whether an issue should be referred to the full Committee.

### 3.4. Chairperson, Coordinator and respective alternates: Please see Appendix 1

3.4.1. **Alternate Chairperson:** The Risk Committee is chaired by the Chairman, Chief Executive Officer of the Firm, or, if unavailable, by the President, Chief Operating Officer of the Firm.

## 4. Quorum

4.1. Quorum requirements for the Risk Committee will be determined by the Chairperson from time to time based upon the nature of the risk issues under review, and will ensure appropriate functional and/or business representation at all times.

4.2. **Required Members:** In all cases, the quorum must include the Chairperson, the Chairperson's designee or the Chief Administrative Officer.

## 5. Frequency of Meetings

5.1. The Committee meets weekly, or on an as-needed basis.

## 6. Procedures

### 6.1 General Procedures

The Chief Risk Officer is responsible for identifying and reporting to the Committee on the Firm's material risk exposures and any risk-taking activities deemed significant by the Chief Risk Officer. The Global Risk Management Division under the direction of the Chief Risk Officer will compile all relevant risk information for this purpose.

### 6.2 Descriptive Materials to the Committee

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Discussions revolve around material provided by the Chief Risk Officer. Additional information related to issues brought up during the discussions are prepared and circulated as necessary.

### **6.3 Minutes**

Documentation of the risk topics discussed is maintained by the Chief Risk Officer.

### **6.4 Approval or Disapproval**

The Risk Committee serves as a forum for the Senior Management of the Firm to review all material risk exposures. From time-to-time the Chief Risk Officer may request the Risk Committee to approve and review certain new risk taking activities. This Committee approves the overall Risk Appetite limit of the Firm as recommended by the Chief Risk Officer.

### **6.5 Contingencies**

The Chief Risk Officer is responsible for ensuring follow-up of action items and reporting back to the Risk Committee.

### **6.6 Follow-up & Resolution**

As noted under contingencies, the Chief Risk Officer is responsible for ensuring follow-up of action items and reporting back to the Risk Committee for final resolution, if necessary.

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### Appendix 1

#### Member Names and Alternate Members

Function /Business Area	Primary Contact	Alternate Contact
<b>Chairperson/Chairman, Chief Executive Officer</b>	Richard Fuld	Joseph Gregory
<b>Executive Officer/Secretary</b>	Madelyn Antoncic	Chris O'Meara
Global Head of Strategic Partnerships, Principal Investing and Risk	David Goldfarb	
Chief Risk Officer	Madelyn Antoncic	
Chief Financial Officer	Chris O'Meara	
Executive Committee	Jasjit Bhattal David Goldfarb Joseph Gregory Jeremy Isaacs Theodore Janulis Stephen Lessing Herbert McDade Hugh McGee Roger Nagioff George Walker Thomas Russo	

**Owner: Lisa Rathgeber**