

MAIN STREET FINANCIAL SERVICES CORP.

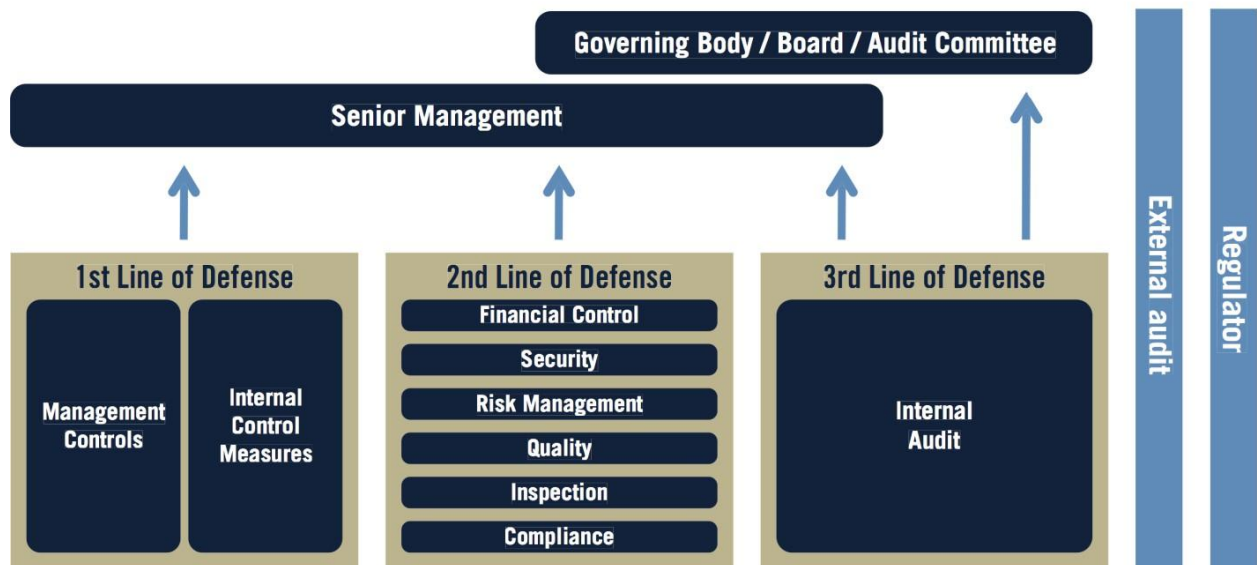
RISK COMMITTEE CHARTER

COMMISSION

The Risk Committee (the Committee) has been established to develop and maintain an understanding of risk, risk appetite and risk management within Main Street Financial Services Corp. (the Company). The Committee will assist the Board of Directors (the Board) in its responsibility to oversee the Company's risk management framework, including the Enterprise Risk Management (ERM) function and practices employed to manage risk across the corporation.

The risk management function will serve as a second line of defense as illustrated in the Three Lines of Defense model diagramed below.

The Three Lines of Defense Model



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RESPONSIBILITIES

The management responsibility for the ERM function has been delegated to the Chief Risk Officer (CRO) with oversight responsibility retained by the Committee. The Committee will have but is not limited to the following responsibilities:

- Establish and review annually the Company's Risk Appetite Statement by assessing the Company's strategy in light of risk tolerance.
- Review and recommend changes to the Risk Policy on an annual basis.
- Authorize management of the Company through the CRO, or an individual delegated by the CRO, to develop and implement policies relating to risk management.
- Review management's risk assessment indicators from the following enterprise risk segments:
 - Credit Risk
 - Interest Rate Risk

- Liquidity Risk
 - Strategic Risk
 - Operational Risk (includes regulatory, compliance, legal and reputation risks)
- Understand the level of financial and nonfinancial risks facing the Company and ensure that all critical risk areas have been identified, measured, monitored and controlled.
- Review risk assessments, risk management reports and significant findings.
- Review scope and direction of the Company's risk management program with updates from the CRO or an individual delegated by the CRO
- Review significant reports from regulatory agencies and new industry guidance related to risk exposures.
- Encourage a culture within the Company that understands risk and the impact on daily operations.
- Facilitate communications and coordination of activities among directors, management, the Risk Committee and the Audit Committee to ensure effective use of the "three lines of defense" model included in this charter.

COMPOSITION and QUALIFICATIONS

The Committee will consist of at least three members, with the majority of individuals being independent directors. If the composition of the Board permits, the Chair should have risk management experience commensurate with the size and risk profile of the Company.

MEETINGS

The Committee is recommended to meet at least four times annually or as necessary to fulfill its duties. Minutes of the meetings will be approved and maintained by the Committee. The Committee Chair reserves the right to call a Committee meeting when necessary. A majority of the members of the Committee present at the time of a meeting shall constitute a quorum. The Committee shall periodically report its activities to the Board with recommendations as needed. Non independent directors may attend Committee meetings and assist the Committee in establishing its meeting agendas. The CRO or any other officers of the Company or its subsidiaries will attend as required by the committee.

CHARTER REVIEW

This charter will be reviewed by the Committee and the Board of Directors on at least an annual basis, with interim updates as necessary.