
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 31, 2012

The Charles Schwab Corporation

(Exact name of registrant as specified in its charter)

Commission File Number: 1-9700

Delaware
(State or other jurisdiction
of incorporation)

94-3025021
(I.R.S. Employer
Identification No.)

211 Main Street, San Francisco, CA 94105
(Address of principal executive offices, including zip code)

(415) 667-7000
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 3.03 Material Modification to Rights of Security Holders

On June 6, 2012, The Charles Schwab Corporation (the “Company”) issued and sold 17,000,000 depositary shares (“Depositary Shares”), each representing a 1/40th ownership interest in a share of 6.00% non-cumulative perpetual preferred stock, Series B, \$0.01 par value, with a liquidation preference of \$1,000 per share (equivalent to \$25 per Depositary Share) (the “Series B Preferred Stock”). The Company filed a Certificate of Designations (the “Certificate of Designations”) with the Secretary of State of the State of Delaware, establishing the voting rights, powers, preferences and privileges, and the relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, of the Series B Preferred Stock on May 31, 2012. Holders of the Depositary Shares will be entitled to all proportional rights and preferences of the Series B Preferred Stock (including dividend, voting, redemption and liquidation rights).

Under the terms of the Series B Preferred Stock, the ability of the Company to pay dividends on, make distributions with respect to, or to repurchase, redeem or acquire its common stock or any preferred stock ranking on parity with or junior to the Series B Preferred Stock, is subject to restrictions in the event that the Company does not declare and either pay or set aside a sum sufficient for payment of dividends on the Series B Preferred Stock for the immediately preceding dividend period.

The terms of the Series B Preferred Stock are more fully described in the Certificate of Designations which is included as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

The Certificate of Designations became effective upon filing with the Secretary of State of the State of Delaware and it amends the Company’s Fifth Restated Certificate of Incorporation. The terms of the Series B Preferred Stock are more fully described in the Certificate of Designations which is included as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 8.01 Other Events

On May 30, 2012, the Company entered into an Underwriting Agreement (the “Underwriting Agreement”) with Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, UBS Securities LLC, and Wells Fargo Securities, LLC, as the representatives of the several underwriters named therein (collectively, “Underwriters”), under which the Company agreed to sell to the Underwriters 17,000,000 shares of Depositary Shares, each representing a 1/40th ownership interest in a share of Series B Preferred Stock and granted them an option to purchase up to an additional 2,550,000 Depositary Shares to cover over-allotments, if any.

The Underwriting Agreement contains customary representations, warranties and agreements of the Company, conditions to closing, indemnification rights and obligations of the parties, and termination provisions. Under the terms of the Underwriting Agreement, the Company agreed to indemnify the Underwriters against certain specified types of liabilities, including liabilities under the Securities Act of 1933, as amended, and to contribute to payments the Underwriters may be required to make in respect of these liabilities.

The net proceeds of the offering of the 17,000,000 Depositary Shares were approximately \$411 million, after deducting underwriting discounts and commissions and estimated offering expenses. The offering was made pursuant to the prospectus supplement dated May 30, 2012 and the accompanying prospectus dated December 15, 2011, filed with the Securities and Exchange Commission pursuant to the Company’s effective registration statement on Form S-3 (File No. 333-178525) (the “Registration Statement”). The following documents are being filed with this Current Report on Form 8-K and are incorporated by reference into the Registration Statement: (a) the Underwriting Agreement, (b) the Certificate of

Designations to which the Form of Certificate Representing the Series B Preferred Stock is attached as Exhibit A, (c) the Deposit Agreement dated June 6, 2012, between the Company and Wells Fargo Bank, N.A., as Depositary, to which the Form of Depositary Share Receipt is attached as Exhibit A and (d) a validity opinion with respect to the Depositary Shares and the Series B Preferred Stock.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

- 1.1 Underwriting Agreement, dated May 30, 2012, by and among the Company and Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, UBS Securities LLC, and Wells Fargo Securities, LLC, as the representatives of the several underwriters named therein.
- 3.1 Certificate of Designations of 6.00% Non-Cumulative Perpetual Preferred Stock, Series B, dated May 31, 2012, of the Company (including the form of 6.00% Non-Cumulative Perpetual Preferred Stock, Series B Certificate of the Company attached as Exhibit A thereto).
- 4.1 Deposit Agreement, dated June 6, 2012, between the Company and Wells Fargo Bank, N.A., as Depositary (including the form of Depositary Share Receipt attached as Exhibit A thereto).
- 5.1 Opinion of Arnold & Porter LLP, dated June 6, 2012.
- 23.1 Consent of Arnold & Porter LLP, dated June 6, 2012 (included in Exhibit 5.1).

Signature(s)

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE CHARLES SCHWAB CORPORATION

Date: June 6, 2012

By: /s/ Joseph R. Martinetto
Joseph R. Martinetto
Executive Vice President and Chief Financial Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
1.1	Underwriting Agreement, dated May 30, 2012, by and among the Company and Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, UBS Securities LLC, and Wells Fargo Securities, LLC, as the representatives of the several underwriters named therein.
3.1	Certificate of Designations of Non-Cumulative Perpetual Preferred Stock, Series B, dated May 31, 2012, of the Company (including the form of 6.00% Non-Cumulative Perpetual Preferred Stock, Series B Certificate of the Company attached as Exhibit A thereto).
4.1	Deposit Agreement, dated June 6, 2012, between the Company and Wells Fargo Bank, N.A., as Depositary (including the form of Depositary Share Receipt attached as Exhibit A thereto).
5.1	Opinion of Arnold & Porter LLP, dated June 6, 2012.
23.1	Consent of Arnold & Porter LLP, dated June 6, 2012 (included in Exhibit 5.1).

THE CHARLES SCHWAB CORPORATION

17,000,000 Depositary Shares, Each Representing a 1/40th Interest in a Share of 6.00% Non-Cumulative
Perpetual Preferred Stock, Series B

UNDERWRITING AGREEMENT

MAY 30, 2012

UNDERWRITING AGREEMENT

May 30, 2012

Citigroup Global Markets Inc.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated

UBS Securities LLC
Wells Fargo Securities, LLC
as Representatives of the
several Underwriters named
in Schedule A hereto

c/o Citigroup Global Markets Inc.
390 Greenwich Street
New York, New York 10013

c/o Merrill Lynch, Pierce, Fenner & Smith
Incorporated

One Bryant Park
New York, New York 10036

c/o UBS Securities LLC
677 Washington Boulevard
Stamford, CT 06901

c/o Wells Fargo Securities, LLC
301 South College Street
Charlotte, North Carolina 28202

Ladies and Gentlemen:

The Charles Schwab Corporation, a Delaware corporation (the “Company”), proposes, subject to the terms and conditions stated herein, to issue and sell to the several underwriters named in Schedule A hereto (the “Underwriters”), for whom you are acting as Representatives, 17,000,000 depositary shares (the “Firm Shares”), and, at the election of the Representatives, up to an additional 2,550,000 depositary shares (the “Optional Shares” and, together with the Firm Shares, the “Depository Shares”), each such Depository Share representing a 1/40th interest in a share of 6.00% Non-Cumulative Perpetual Preferred Stock, Series B, par value \$0.01 per share, with a liquidation preference of \$1,000 per share (equivalent to \$25 per depositary share) (the “Preferred Stock”). The Depository Shares and the Preferred Stock are described in the Prospectus that is referred to below. The Preferred Stock, when issued, will be deposited against delivery of depositary receipts (the “Depository Receipts”), which will evidence the Depository Shares and will be issued by Wells Fargo Bank, National Association (the “Depository”) under a deposit agreement, to be dated June 6, 2012 (the “Deposit Agreement”), among the Company, the Depository and the holders from time to time of the

Depository Receipts issued hereunder.

The Preferred Stock is to be issued by the Company pursuant to the provisions of the certificate of designations relating to the Preferred Stock (the "Certificate of Designations") to be filed by the Company with the Secretary of State of the State of Delaware prior to the Closing Date (as defined below).

The Company has prepared and filed, in accordance with the provisions of the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (collectively, the "Act"), with the Securities and Exchange Commission (the "Commission") an automatic shelf registration statement on Form S-3 (File No. 333-178525) under the Act (the "registration statement"), including a prospectus, which registration statement incorporates by reference documents which the Company has filed, or will file, in accordance with the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (collectively, the "Exchange Act"). Such registration statement has become effective under the Act.

Except where the context otherwise requires, "Registration Statement," as used herein, means the registration statement, as amended at the time of such registration statement's effectiveness for purposes of Section 11 of the Act, as such section applies to the respective Underwriters (the "Effective Time"), including (i) all documents filed as a part thereof or incorporated or deemed to be incorporated by reference therein, (ii) any information contained or incorporated by reference in a prospectus filed with the Commission pursuant to Rule 424(b) under the Act, to the extent such information is deemed, pursuant to Rule 430B or Rule 430C under the Act, to be part of the registration statement at the Effective Time, and (iii) any registration statement filed to register the offer and sale of Depository Shares pursuant to Rule 462(b) under the Act.

The Company has furnished or made available to you, for use by the Underwriters and by dealers in connection with the offering of the Depository Shares, copies of one or more preliminary prospectus supplements, and the documents incorporated by reference therein, relating to the Depository Shares and the Preferred Stock. Except where the context otherwise requires, "Pre-Pricing Prospectus," as used herein, means each such preliminary prospectus supplement, in the form so furnished, including any basic prospectus (whether or not in preliminary form) furnished to you by the Company and attached to or used with such preliminary prospectus supplement. Except where the context otherwise requires, "Basic Prospectus," as used herein, means any such basic prospectus attached to or used with the Prospectus Supplement (as defined below).

Except where the context otherwise requires, "Prospectus Supplement," as used herein, means the final prospectus supplement, relating to the Depository Shares and the Preferred Stock, filed by the Company with the Commission pursuant to Rule 424(b) under the Act on or before the second business day after the date hereof (or such earlier time as may be required under the Act), in the form furnished by the Company to you for use by the Underwriters and by dealers in connection with the offering of the Depository Shares.

Except where the context otherwise requires, “Prospectus,” as used herein, means the Prospectus Supplement together with the Basic Prospectus attached to or used with the Prospectus Supplement.

“Permitted Free Writing Prospectuses,” as used herein, means the documents listed on Schedule B attached hereto and each “road show” (as defined in Rule 433 under the Act), if any, related to the offering of the Depositary Shares contemplated hereby that is a “written communication” (as defined in Rule 405 under the Act). Each Underwriter severally covenants and agrees with the Company that such Underwriter has not offered or sold and will not offer or sell, without the Company’s consent, any Depositary Shares or Preferred Stock by means of any “free writing prospectus” (as defined in Rule 405 under the Act) that is required to be filed by the Underwriters with the Commission pursuant to Rule 433 under the Act, other than a Permitted Free Writing Prospectus.

“Covered Free Writing Prospectuses,” as used herein, means (i) each “issuer free writing prospectus” (as defined in Rule 433(h)(1) under the Act), if any, relating to the Depositary Shares or Preferred Stock, which is not a Permitted Free Writing Prospectus and (ii) each Permitted Free Writing Prospectus.

“Disclosure Package,” as used herein, means any Pre-Pricing Prospectus together with any combination of one or more of the Permitted Free Writing Prospectuses, if any, as of the Applicable Time.

“Applicable Time” means 5:10 p.m., New York City time, on the date of this Agreement.

Any reference herein to the Registration Statement, any Basic Prospectus, any Pre-Pricing Prospectus, the Prospectus Supplement, the Prospectus or any Permitted Free Writing Prospectus shall be deemed to refer to and include the documents, if any, incorporated by reference, or deemed to be incorporated by reference, therein (the “Incorporated Documents”), including, unless the context otherwise requires, the documents, if any, filed as exhibits to such Incorporated Documents. Any reference herein to the terms “amend”, “amendment” or “supplement” with respect to the Registration Statement, any Basic Prospectus, any Pre-Pricing Prospectus, the Prospectus Supplement, the Prospectus or any Permitted Free Writing Prospectus shall be deemed to refer to and include the filing of any document under the Exchange Act on or after the initial effective date of the Registration Statement, or the date of such Basic Prospectus, such Pre-Pricing Prospectus, the Prospectus Supplement, the Prospectus or such Permitted Free Writing Prospectus, as the case may be, and deemed to be incorporated therein by reference.

As used in this Agreement, “business day” shall mean any day other than a day on which banks are permitted or required to be closed in New York City. The terms “herein”, “hereof”, “hereto”, “hereinafter” and similar terms, as used in this Agreement, shall in each case refer to this Agreement as a whole and not to any particular section, paragraph, sentence or other subdivision of this Agreement. The term “or,” as used herein, is not exclusive.

The Company and the Underwriters agree as follows:

1. Sale and Purchase.

(a) Upon the basis of the representations and warranties and subject to the terms and conditions herein set forth, (A) the Company agrees to issue and sell to the respective Underwriters and each of the Underwriters, severally and not jointly, agrees to purchase from the Company the respective number of Firm Shares set forth opposite the name of such Underwriter in Schedule A attached hereto and (B) in the event and to the extent that the Representatives exercise the election to purchase Optional Shares as provided below, the Company agrees to issue and sell to the Underwriters and each of the Underwriters, severally and not jointly, agrees to purchase from the Company, the number of Optional Shares (to be adjusted by the Representatives, if necessary, so as to eliminate fractions of Depositary Shares) determined by multiplying the number of such Optional Shares as to which such election shall have been exercised by a fraction, the numerator of which is the maximum number of Firm Shares which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in Schedule A hereto and the denominator of which is the maximum number of Firm Shares that all of the Underwriters are entitled to purchase hereunder, subject to adjustment in accordance with Section 8 hereof, in each case at a purchase price equal to (i) \$24.2125 per Depositary Share sold to retail investors and (ii) \$24.6875 per Depositary Share sold to institutional investors.

(b) The Company hereby grants to the Underwriters the right to purchase, at the election of the Representatives, and upon the basis of the representations and warranties and subject to the terms and conditions herein set forth, up to 2,550,000 Optional Shares, solely for the purpose of covering over-allotments, if any, in connection with the offer and sale of the Firm Shares, as set forth in clause (A) of Section 1(a). Any such election to purchase Optional Shares may be exercised by written notice from the Representatives to the Company, given within a period of 30 days after the date of the Prospectus Supplement, setting forth the number of Optional Shares to be purchased and the date on which such Optional Shares are to be delivered, as determined by the Representatives, which shall in no event be earlier than the Closing Date or, unless the Representatives and the Company otherwise agree in writing, earlier than three or later than ten business days after the date of such notice.

The Company is advised by you that the Underwriters intend (i) to make a public offering of their respective portions of the Depositary Shares as soon after the effectiveness of this Agreement as in your judgment is advisable and (ii) initially to offer the Depositary Shares upon the terms set forth in the Prospectus. You may from time to time increase or decrease the public offering price after the initial public offering to such extent as you may determine.

Each Underwriter, severally and not jointly, represents and agrees as set forth in Appendix A hereto.

2. Payment and Delivery. Payment of the purchase price for the Depositary Shares shall be made to the Company by Federal Funds wire transfer against delivery of the Depositary

Shares to you through the facilities of The Depository Trust Company (“DTC”) for the respective accounts of the Underwriters. Such payment and delivery (a) with respect to the Firm Shares shall be made at 10:00 a.m., New York City time, on June 6, 2012 (such time being referred to herein as the “Time of Purchase”, and such date being referred to herein as the “Closing Date”) (unless another time shall be agreed to by you and the Company or unless postponed in accordance with the provisions of Section 8 hereof) and (b) with respect to the Optional Shares shall be made at 10:00 a.m., New York City time, on the date specified by the Representatives in the written notice of the Underwriters’ election to purchase Optional Shares (unless another time shall be agreed to by you and the Company or unless postponed in accordance with the provisions of Section 8 hereof) (such time being referred to herein as the “Additional Time of Purchase”, and such date being referred to herein as the “Additional Closing Date”). Electronic transfer of the Depository Shares shall be made to you at the Time of Purchase and Additional Time of Purchase, if any, in such names and in such denominations as you shall specify.

Deliveries of the documents described in Section 6 hereof with respect to the purchase of the Depository Shares shall be made at the offices of Simpson Thacher & Bartlett LLP at 425 Lexington Avenue, New York, New York, 10017, at 9:00 a.m., New York City time, on the Closing Date and the Additional Closing Date, if any.

3. Representations and Warranties of the Company The Company represents and warrants to, and agrees with, each of the Underwriters that:

(a) the Registration Statement is an “automatic shelf registration statement” as defined under Rule 405 of the Act that has been filed with the Commission not earlier than three years prior to the date hereof and has heretofore become effective under the Act; and no notice of objection of the Commission to the use of such registration statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act has been received by the Company; no stop order of the Commission preventing or suspending the use of any Basic Prospectus, any Pre-Pricing Prospectus, the Prospectus Supplement, the Prospectus or any Permitted Free Writing Prospectus, or the effectiveness of the Registration Statement, has been issued, and no proceedings for such purpose have been instituted or, to the Company’s knowledge, are threatened by the Commission;

(b) the Registration Statement complied when it became effective, complies as of the date hereof and, as amended or supplemented, at the Time of Purchase, and at all times during which a prospectus is required by the Act to be delivered (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with any sale of Depository Shares, will comply, in all material respects, with the requirements of the Act; the conditions to the use of Form S-3 in connection with the offering and sale of the Depository Shares as contemplated hereby have been satisfied; as of the determination date applicable to the Registration Statement (and any amendment thereof) and the offering contemplated hereby, and as of each time, if any, an “offer by or on behalf of” (within the meaning of Rule 163 under the Act) the Company was made prior to the initial filing of the Registration Statement, the Company is and was a “well-

known seasoned issuer” as defined in Rule 405 under the Act; the Registration Statement meets, and the offering and sale of the Depositary Shares as contemplated hereby complies with, the requirements of Rule 415 under the Act (including, without limitation, Rule 415(a)(5) under the Act); the Registration Statement did not, as of the Effective Time, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; each Pre-Pricing Prospectus complied, at the time it was filed with the Commission, and complies as of the date hereof, in all material respects with the requirements of the Act; at no time during the period that begins on the earlier of the date of such Pre-Pricing Prospectus and the date such Pre-Pricing Prospectus was filed with the Commission and ends at the Time of Purchase did or will any Pre-Pricing Prospectus, as then amended or supplemented, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and at no time during such period did or will any Pre-Pricing Prospectus, as then amended or supplemented, together with any combination of one or more of the then issued Permitted Free Writing Prospectuses, if any, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; each Basic Prospectus complied, as of its date and the date it was filed with the Commission, complies as of the date hereof and, at the Time of Purchase and at all times during which a prospectus is required by the Act to be delivered (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with any sale of Depositary Shares, will comply, in all material respects, with the requirements of the Act; at no time during the period that begins on the date of such Basic Prospectus and ends at the Time of Purchase did or will any Basic Prospectus, as then amended or supplemented, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and at no time during such period did or will any Basic Prospectus, as then amended or supplemented, together with any combination of one or more of the then issued Permitted Free Writing Prospectuses, if any, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; each of the Prospectus Supplement and the Prospectus will comply, as of the date that it is filed with the Commission, the date of the Prospectus Supplement, the Time of Purchase and at all times during which a prospectus is required by the Act to be delivered (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with any sale of Depositary Shares, in all material respects, with the requirements of the Act (in the case of the Prospectus, including, without limitation, Section 10(a) of the Act); at no time during the period that begins on the earlier of the date of the Prospectus Supplement and the date the Prospectus Supplement is filed with the Commission and ends at the later of the Time of Purchase and the end of the period during which a prospectus is required by the Act to be delivered (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with any sale of Depositary Shares did or will any Prospectus Supplement or the Prospectus, as then amended or supplemented, include an untrue statement of a material fact or omit

to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; each Permitted Free Writing Prospectus complied in all material respects with the requirements of the Act, has been or will be (within the time period specified in Rule 433) filed in accordance with the Act (to the extent required thereby); at no time during the period that begins on the date of each Permitted Free Writing Prospectus and ends at the Time of Purchase did or will any Permitted Free Writing Prospectus include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Company makes no representation or warranty in this Section 3(b) with respect to any statement contained in the Registration Statement, any Pre-Pricing Prospectus, the Prospectus or any Permitted Free Writing Prospectus in reliance upon and in conformity with information concerning an Underwriter and furnished in writing by or on behalf of such Underwriter through you to the Company expressly for use in the Registration Statement, such Pre-Pricing Prospectus, the Prospectus or such Permitted Free Writing Prospectus; each Incorporated Document, at the time such document was filed with the Commission or at the time such document became effective, as applicable, complied, in all material respects, with the requirements of the Exchange Act and did not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(c) prior to the execution of this Agreement, the Company has not, directly or indirectly, offered or sold any Depositary Shares or any Preferred Stock by means of any “prospectus” (within the meaning of the Act) or used any “prospectus” (within the meaning of the Act) in connection with the offer or sale of the Depositary Shares, in each case other than the Pre-Pricing Prospectuses and the Permitted Free Writing Prospectuses, if any; the Company has not, directly or indirectly, prepared, used or referred to any Permitted Free Writing Prospectus except in compliance with Rule 163 or with Rules 164 and 433 under the Act; assuming that such Permitted Free Writing Prospectus is so sent or given after the Registration Statement was filed with the Commission (and after such Permitted Free Writing Prospectus was, if required pursuant to Rule 433(d) under the Act, filed with the Commission), the sending or giving, by any Underwriter, of any Permitted Free Writing Prospectus will satisfy the provisions of Rule 164 and Rule 433 (without reliance on subsections (b), (c) and (d) of Rule 164); the conditions set forth in one or more of subclauses (i) through (iv), inclusive, of Rule 433(b)(1) under the Act are satisfied, and the registration statement relating to the offering of the Depositary Shares contemplated hereby, as initially filed with the Commission, includes a prospectus that, other than by reason of Rule 433 or Rule 431 under the Act, satisfies the requirements of Section 10 of the Act; neither the Company nor the Underwriters are disqualified, by reason of subsection (f) or (g) of Rule 164 under the Act, from using, in connection with the offer and sale of the Depositary Shares, “free writing prospectuses” (as defined in Rule 405 under the Act) pursuant to Rules 164 and 433 under the Act; the Company is not an ineligible issuer and is a well-known seasoned issuer, in each case as defined under the Act, in each case at the times specified in the Act in connection with the offering of the Depositary Shares; the parties hereto agree and

understand that the content of any and all “road shows” (as defined in Rule 433 under the Act) related to the offering of the Depositary Shares contemplated hereby is solely the property of the Company;

(d) the Company has an authorized capitalization as set forth in the Pre-Pricing Prospectus and the Prospectus and all of the issued shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable, have been issued in compliance with all applicable securities laws and were not issued in violation of any preemptive right, right of first refusal or similar right under the General Corporation Law of the State of Delaware or the Company’s charter or bylaws or any agreement or other instrument to which the Company is a party;

(e) the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with full corporate power and authority to own, lease and operate its properties and conduct its business as disclosed in the Registration Statement, the Pre-Pricing Prospectuses, the Prospectus and the Permitted Free Writing Prospectuses, if any, to execute and deliver this Agreement and to issue, sell and deliver the Depositary Shares as contemplated herein;

(f) the Company is qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the ownership or leasing of its properties or the conduct of its business requires such qualification, except where the failure to be so qualified and in good standing would not, individually or in the aggregate, have a material adverse effect on (i) the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole or, (ii) the consummation of any of the transactions contemplated hereby (the foregoing clauses (i) and (ii) being referred to as a “Material Adverse Effect”);

(g) the Company owns directly or indirectly all of the issued and outstanding capital stock of each of Charles Schwab Bank, Charles Schwab Investment Management, Inc., Charles Schwab & Co., Inc., and Schwab Holdings, Inc. (the “Significant Subsidiaries”); complete and correct copies of the charters and the bylaws of the Company and each Significant Subsidiary and all amendments thereto have been delivered or made available to you, and no material changes therein will be made on or after the date hereof through and including the Time of Purchase; each Significant Subsidiary has been duly organized and is validly existing and in good standing under the laws of the jurisdiction of its organization, with full power and authority to own, lease and operate its properties and to conduct its business as disclosed in the Registration Statement, the Pre-Pricing Prospectuses, the Prospectus and the Permitted Free Writing Prospectuses, if any; each Significant Subsidiary is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the ownership or leasing of its properties or the conduct of its business requires such qualification, except where the failure to be so qualified and in good standing would not, individually or in the aggregate, have a Material Adverse Effect; all of the outstanding shares of capital stock of each of the Significant Subsidiaries have been duly authorized and validly issued, are fully paid and non-assessable, have been issued in compliance with all applicable

securities laws, were not issued in violation of any preemptive right, right of first refusal or similar right and are owned by the Company subject to no security interest or other encumbrance; no options, warrants or other rights to purchase, agreements or other obligations to issue or other rights to convert any obligation into shares of capital stock or ownership interests in the Significant Subsidiaries are outstanding; and the Company has no “significant subsidiary,” as that term is defined in Rule 1-02 (w) of Regulation S-X under the Act, other than the Significant Subsidiaries;

(h) this Agreement has been duly authorized, executed and delivered by the Company; the Deposit Agreement has been duly authorized by the Company and, when validly executed and delivered by the Company and the Depositary, will constitute a legal, valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, subject to (A) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors’ rights generally from time to time in effect, and (B) general principles of equity, regardless of whether considered in a proceeding in equity or at law, and an implied covenant of good faith and fair dealing; and such Deposit Agreement will conform in all material respects to the description thereof in the Registration Statement, Disclosure Package and the Prospectus;

(i) the Preferred Stock has been duly authorized by the Company and, when issued and delivered and paid for in accordance with this Agreement and the Deposit Agreement, will be duly and validly issued, fully paid and nonassessable, and will have the rights, powers, preferences, privileges and designations set forth in the Certificate of Designations; the Depositary Shares, and the deposit of the Preferred Stock in accordance with the provisions of the Deposit Agreement, have been duly authorized by the Company; and, when the Depositary Shares have been issued and delivered and paid for and the Depositary Receipts have been duly executed and delivered by the Depositary, in accordance with this Agreement and the Deposit Agreement, the Depositary Shares will be duly and validly issued and the holders of the Depositary Shares will be entitled to the benefits of the Deposit Agreement and the Depositary Receipts; and the Depositary Shares and the Preferred Stock will conform in all material respects to the descriptions thereof contained in the Registration Statement, the Disclosure Package and the Prospectus;

(j) none of the Company or any of the Significant Subsidiaries is in breach or violation of or in default under (nor has any event occurred which, with notice, lapse of time or both, would result in any breach or violation of, constitute a default under or give the holder of any indebtedness (or a person acting on such holder’s behalf) the right to require the repurchase, redemption or repayment of all or a part of such indebtedness under) (A) its charter or bylaws, (B) any indenture, mortgage, deed of trust, bank loan or credit agreement or other evidence of indebtedness, or any license, lease, contract or other agreement or instrument to which it is a party or by which it or any of its properties may be bound or affected, (C) any federal, state, local or foreign law, regulation or rule, (D) any rule or regulation of any self-regulatory organization or other non-governmental regulatory authority (including, without limitation, the rules and regulations of The New York Stock Exchange (“NYSE”) and the Financial Industry Regulatory Authority, Inc.

(“FINRA”), or (E) any decree, judgment or order applicable to it or any of its properties (other than in the case of (A), except for breaches, violations or defaults which would not, individually or in the aggregate, have a Material Adverse Effect);

(k) the execution, delivery and performance of this Agreement and the Deposit Agreement, the issuance and sale of the Depositary Shares and compliance by the Company with all the provisions of this Agreement, the Deposit Agreement and of the Certificate of Designations and the consummation by the Company of the transactions contemplated hereby and under the Deposit Agreement will not conflict with, result in any breach or violation of or constitute a default under (nor constitute any event which, with notice, lapse of time or both, would result in any breach or violation of, constitute a default under or give the holder of any indebtedness (or a person acting on such holder’s behalf) the right to require the repurchase, redemption or repayment of all or a part of such indebtedness under) (or result in the creation or imposition of a lien, charge or encumbrance on any property or assets of the Company or any Significant Subsidiary pursuant to) (A) the charter or bylaws of the Company or any of the Significant Subsidiaries, (B) any indenture, mortgage, deed of trust, bank loan or credit agreement or other evidence of indebtedness, or any license, lease, contract or other agreement or instrument to which the Company or any of the Significant Subsidiaries is a party or by which any of them or any of their respective properties may be bound or affected, (C) any federal, state, local or foreign law, regulation or rule, (D) any rule or regulation of any self-regulatory organization or other non-governmental regulatory authority (including, without limitation, the rules and regulations of the NYSE), or (E) any decree, judgment or order applicable to the Company or any of the Significant Subsidiaries or any of their respective properties (other than in the case of (A), except for conflicts, breaches, violations or defaults which would not, individually or in the aggregate, have a Material Adverse Effect);

(l) The Company is duly registered as a savings and loan holding company subject to supervision and regulation by the Board of Governors of the Federal Reserve System (the “Federal Reserve”);

(m) The Company and each of its subsidiaries are in compliance with all laws administered by the Federal Reserve, the Federal Deposit Insurance Corporation (“FDIC”) and any other federal or state bank regulatory authorities (together with the Federal Reserve and the FDIC, the “Bank Regulatory Authorities”) with jurisdiction over the Company or any of the Significant Subsidiaries, except for failures to be so in compliance that would not individually or in the aggregate have a Material Adverse Effect;

(n) there are no written agreements or other written statements as described under 12 U.S.C. 1818(u) between any federal banking agency and the Company or any of its Significant Subsidiaries (whether or not such federal banking agency has determined that publication would be contrary to the public interest) and except as disclosed in the Pre-Pricing Prospectus and the Prospectus, there are no material agreements, memoranda of understanding, cease and desist orders, orders of prohibition or suspension or consent decrees, in each case that are material to the Company or any of its Significant

Subsidiaries, between any Bank Regulatory Authority and the Company or any of its Significant Subsidiaries;

(o) no approval, authorization, consent or order of or filing with any federal, state, local or foreign governmental or regulatory commission, board, body, authority or agency, or of or with any self-regulatory organization or other non-governmental regulatory authority (including, without limitation, the NYSE), or approval of the stockholders of the Company, is required in connection with the issuance and sale of the Depositary Shares or the consummation by the Company of the transactions contemplated under this Agreement and the Deposit Agreement, other than (i) registration of the Depositary Shares under the Act, which has been effected (or, with respect to any registration statement to be filed hereunder pursuant to Rule 462 (b) under the Act, will be effected in accordance herewith), (ii) any necessary qualification under the securities or blue sky laws of the various jurisdictions in which the Depositary Shares are being offered by the Underwriters, (iii) under the Conduct Rules of FINRA, or (iv) the application to list the Depositary Shares on the NYSE;

(p) each of the Company and its subsidiaries has all necessary licenses, authorizations, consents and approvals and has made all necessary filings required under any applicable law, regulation or rule, and has obtained all necessary licenses, authorizations, consents and approvals from other persons, in order to conduct their respective businesses, except where the failure to have such licenses, authorizations, consents and approvals and making all filings would not, individually or in the aggregate, have a Material Adverse Effect; neither the Company nor any of its subsidiaries is in violation of, or in default under, or has received notice of any proceedings relating to revocation or modification of, any such license, authorization, consent or approval or any federal, state, local or foreign law, regulation or rule or any decree, order or judgment applicable to the Company or any of its subsidiaries, except where such violation, default, revocation or modification would not, individually or in the aggregate, have a Material Adverse Effect;

(q) other than as set forth in the Pre-Pricing Prospectus, there are no actions, suits, claims, investigations or proceedings pending or, to the Company's knowledge, threatened, or contemplated by the Company, to which the Company or any of its subsidiaries or any of their respective directors or officers is or would be a party or of which any of their respective properties is or would be subject at law or in equity, before or by any federal, state, local or foreign governmental or regulatory commission, board, body, authority or agency, or before or by any self-regulatory organization or other non-governmental regulatory authority (including, without limitation, the NYSE), except any such action, suit, claim, investigation or proceeding which, if resolved adversely to the Company or any subsidiary, would not, individually or in the aggregate, have a Material Adverse Effect;

(r) Deloitte & Touche LLP, whose report on the financial statements of the Company and its subsidiaries is included or incorporated by reference in the Registration Statement, the Pre-Pricing Prospectuses, the Prospectus and the Permitted Free Writing Prospectuses, if any, are independent registered public accountants as required by the Act

and by the rules of the Public Company Accounting Oversight Board;

(s) the financial statements included or incorporated by reference in the Registration Statement, the Pre-Pricing Prospectuses, the Prospectus and the Permitted Free Writing Prospectuses, if any, together with the related notes and schedules, present fairly in all material respects the consolidated financial position of the Company and its subsidiaries as of the dates indicated and the consolidated results of operations, cash flows and changes in stockholders' equity of the Company for the periods specified and have been prepared in compliance with the requirements of the Act and Exchange Act and in conformity with U.S. generally accepted accounting principles applied on a consistent basis during the periods involved; the other financial and statistical data contained or incorporated by reference in the Registration Statement, the Pre-Pricing Prospectuses, the Prospectus and the Permitted Free Writing Prospectuses, if any, are accurately and fairly presented in all material respects and prepared on a basis consistent with the financial statements and books and records of the Company; there are no financial statements (historical or pro forma) that are required to be included or incorporated by reference in the Registration Statement, any Pre-Pricing Prospectus or the Prospectus that are not included or incorporated by reference as required; the Company and the Significant Subsidiaries do not have any material liabilities or obligations, direct or contingent (including any off-balance sheet obligations), not disclosed in the Registration Statement, each Pre-Pricing Prospectus and the Prospectus; all disclosures contained or incorporated by reference in the Registration Statement, the Pre-Pricing Prospectuses, the Prospectus and the Permitted Free Writing Prospectuses, if any, regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply with Regulation G of the Exchange Act and Item 10 of Regulation S-K under the Act, to the extent applicable; and the interactive data in eXtensible Business Reporting Language included or incorporated by reference in the Registration Statement, each Pre-Pricing Prospectus and the Prospectus and the Disclosure Package fairly presents the information called for in all material respects and has been prepared in accordance with the Commission's rules and guidelines applicable thereto.

(t) Neither the Company nor any of its Significant Subsidiaries has sustained since the date of the latest audited financial statements included or incorporated by reference in the Pre-Pricing Prospectus and the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pre-Pricing Prospectus and the Prospectus; and, since the respective dates as of which information is given or incorporated by reference in the Registration Statement and the Pre-Pricing Prospectus, there has not been any material change in the capital stock or long term debt of the Company or any of its Significant Subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries taken as a whole;

(u) the Company is not, and at no time during which a prospectus is required by the Act to be delivered (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with any sale of Depositary Shares will it be, and, after giving effect to the offering and sale of the Depositary Shares, it will not be, an “investment company” or an entity “controlled” by an “investment company,” as such terms are defined in the Investment Company Act of 1940, as amended (the “Investment Company Act”);

(v) each of the Company and the Significant Subsidiaries owns or has licensed all material inventions, patent applications, patents, trademarks (both registered and unregistered), tradenames, service names, copyrights, trade secrets and other proprietary information disclosed in the Registration Statement, the Pre-Pricing Prospectuses, the Prospectus and the Permitted Free Writing Prospectuses, if any, identified as being owned or licensed by it or which is necessary or material to the conduct of its businesses (collectively, the “Intellectual Property”). To the knowledge of the Company, neither the Company nor any of the Significant Subsidiaries has infringed or is infringing the intellectual property of a third party. Neither the Company nor any Significant Subsidiary has received written notice of any claim by a third party of infringement or conflict with any such rights of others to Intellectual Property, except for such claims as would not, individually or in the aggregate, have a Material Adverse Effect;

(w) all taxes and other assessments of a similar nature (whether imposed directly or through withholding) including any interest, additions to tax or penalties applicable thereto due or claimed to be due from such entities have been timely paid, other than those being contested in good faith and for which adequate reserves have been provided, except where the failure to pay such taxes or other assessments would not, individually or in the aggregate, have a Material Adverse Effect;

(x) neither the Company nor any Significant Subsidiary has sent or received any communication regarding termination of, or intent not to renew, any of the material contracts or agreements referred to or described in any Pre-Pricing Prospectus, the Prospectus or any Permitted Free Writing Prospectus, or referred to or described in, or filed as an exhibit to, the Registration Statement or any Incorporated Document, and no such termination or non-renewal has been threatened by the Company or any Significant Subsidiary or, to the Company’s knowledge, any other party to any such contract or agreement;

(y) the Company and each of the Significant Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management’s general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management’s general or specific authorization; (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is

taken with respect to any differences; (v) interactive data in eXtensible Business Reporting Language included or incorporated by reference in the Registration Statement, the Pre-Pricing Prospectus, the Prospectus and the Disclosure Package is prepared in accordance with the Commission's rules and guidelines applicable thereto and (vi) except as disclosed in the Registration Statement, the Pre-Pricing Prospectus, the Prospectus and any Permitted Free Writing Prospectus, there are no material weaknesses in the Company's internal controls;

(z) the Company has established and maintains and evaluates "disclosure controls and procedures" (as such term is defined in Rule 13a-15 and 15d-15 under the Exchange Act) and "internal control over financial reporting" (as such term is defined in Rule 13a-15 and 15d-15 under the Exchange Act); such disclosure controls and procedures are designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's Chief Executive Officer and its Chief Financial Officer by others within those entities, and such disclosure controls and procedures are effective to perform the functions for which they were established; the Company's independent auditors and the Audit Committee of the Board of Directors of the Company have been advised of: (i) all significant deficiencies, if any, in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data; and (ii) all fraud, if any, whether or not material, that involves management or other employees who have a role in the Company's internal controls; all material weaknesses, if any, in internal controls have been identified to the Company's independent auditors; since the date of the most recent evaluation of such disclosure controls and procedures and internal controls, there have been no significant changes in internal controls or in other factors that have materially affected or are reasonably likely to materially affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses; the principal executive officers (or their equivalents) and principal financial officers (or their equivalents) of the Company have made all certifications required by the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") and any related rules and regulations promulgated by the Commission;

(aa) all statistical or market-related data included or incorporated by reference in the Registration Statement, the Pre-Pricing Prospectuses, the Prospectus and the Permitted Free Writing Prospectuses, if any, are based on or derived from sources that the Company reasonably believes to be reliable and accurate, and the Company has obtained the written consent to the use of such data from such sources to the extent required;

(bb) neither the Company nor any of the Significant Subsidiaries nor, to the knowledge of the Company, any director, officer, employee or agent acting on behalf of the Company or any of the Significant Subsidiaries or any affiliate that directly or indirectly is controlled by the Company (such affiliate, a "downstream affiliate") has violated or is in violation of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "Foreign Corrupt Practices Act"); and the Company, the Significant Subsidiaries and, to the knowledge of the Company, its downstream affiliates have instituted and maintain policies and procedures designed to

ensure continued compliance therewith;

(cc) the operations of the Company and the Significant Subsidiaries are and have been conducted at all times in compliance in all material respects with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the anti-money laundering statutes of all relevant jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the “Money Laundering Laws”); and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator or non-governmental authority involving the Company or any of the Significant Subsidiaries with respect to the Money Laundering Laws is pending or, to the Company’s knowledge, threatened;

(dd) neither the Company nor any of the Significant Subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of the Significant Subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department (“OFAC”); and the Company will not directly or indirectly use the proceeds of the offering of the Depositary Shares contemplated hereby, or lend, contribute or otherwise make available such proceeds to any Significant Subsidiary, joint venture partner or other person or entity for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC;

(ee) no Significant Subsidiary is currently prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution on such Significant Subsidiary’s capital stock, from repaying to the Company any loans or advances to such Significant Subsidiary from the Company or from transferring any of such Significant Subsidiary’s property or assets to the Company or any other Significant Subsidiary of the Company, except as disclosed in the Registration Statement, each Pre-Pricing Prospectus, the Prospectus and the Permitted Free Writing Prospectuses, if any;

(ff) except as disclosed in the Registration Statement, each Pre-Pricing Prospectus and the Prospectus, (i) no person has the right, contractual or otherwise, to cause the Company to issue or sell to it any Depositary Shares or shares of any other capital stock or other equity interests of the Company, other than as related to optionsXpress Holdings, Inc.’s acquisition of Open E Cry LLC; (ii) no person has any preemptive rights, resale rights, rights of first refusal or other rights to purchase from the Company or any of its affiliates any Depositary Shares or shares of any other capital stock of or other equity interests in the Company; (iii) no person has the right to act as an underwriter or as a financial advisor to the Company in connection with the offer and sale of the Depositary Shares; and (iv) no person has the right, contractual or otherwise, to cause the Company to register under the Act any Depositary Shares or shares of any other capital stock of or other equity interests in the Company, other than as related to optionsXpress Holdings, Inc.’s acquisition of Open E Cry LLC, or to include any such shares or interests in the Registration Statement or the offering contemplated thereby;

(gg) the issuance and sale of the Depositary Shares as contemplated under this Agreement and under the Deposit Agreement will not cause any holder of any shares of capital stock, securities convertible into or exchangeable or exercisable for capital stock or options, warrants or other rights to purchase capital stock or any other securities of the Company to have any right to acquire any shares of preferred stock of the Company; and

(hh) neither the Company nor any of the Significant Subsidiaries nor, to the Company's knowledge, any of their respective directors, officers, affiliates or controlling persons has taken, directly or indirectly, any action designed, or which has constituted or might reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Depositary Shares.

In addition, any certificate signed by any officer of the Company or any of the Significant Subsidiaries and delivered to the Underwriters or counsel for the Underwriters in connection with the offering of the Depositary Shares shall be deemed to be a representation and warranty by the Company, as to matters covered thereby, to each Underwriter.

4. Certain Covenants of the Company. The Company agrees:

(a) to prepare the Prospectus in a mutually agreed form and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the date of this Agreement; to make no further amendment or any supplement to the Registration Statement, the Basic Prospectus, the Pre-Pricing Prospectus, the Prospectus or any Permitted Free Writing Prospectus, if any, prior to the Time of Purchase unless mutually agreed; to advise you, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any amendment or supplement to the Prospectus has been filed and to furnish you with copies thereof; to prepare a final term sheet, containing solely a description of the Depositary Shares, in a form set forth in Schedule C hereto and to file such term sheet pursuant to Rule 433(d) under the Act within the time required by such Rule; to file promptly all other material required to be filed by the Company with the Commission pursuant to Rule 433(d) under the Act (without reliance on Rule 164(b) under the Act), and to comply with Rule 433(g) under the Act;

(b) to furnish such information as may be required and otherwise to cooperate in qualifying the Depositary Shares for offering and sale under the securities or blue sky laws of such states or other jurisdictions as you may designate and to maintain such qualifications in effect so long as you may request for the distribution of the Depositary Shares; provided, however, that the Company shall not be required to qualify as a foreign corporation or to consent to the service of process under the laws of any such jurisdiction (except service of process with respect to the offering and sale of the Depositary Shares); and to promptly advise you of the receipt by the Company of any notification with

respect to the suspension of the qualification of the Depositary Shares for offer or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(c) to make available to the Underwriters in New York City, as soon as practicable after this Agreement becomes effective, and thereafter from time to time to furnish to the Underwriters, as many copies of the Prospectus (or of the Prospectus as amended or supplemented if the Company shall have made any amendments or supplements thereto after the effective date of the Registration Statement) as the Underwriters may request for the purposes contemplated by the Act; in case any Underwriter is required to deliver (whether physically or through compliance with Rule 172 under the Act or any similar rule), in connection with the sale of the Depositary Shares, a prospectus after the nine-month period referred to in Section 10(a)(3) of the Act, or after the time a post-effective amendment to the Registration Statement is required pursuant to Item 512(a) of Regulation S-K under the Act, the Company will prepare, at its expense, promptly upon request such amendment or amendments to the Registration Statement and the Prospectus as may be necessary to permit compliance with the requirements of Section 10(a)(3) of the Act or Item 512(a) of Regulation S-K under the Act, as the case may be;

(d) if, at the time this Agreement is executed and delivered, it is necessary or appropriate for a post-effective amendment to the Registration Statement, or a Registration Statement under Rule 462(b) under the Act, to be filed with the Commission and become effective before the Depositary Shares may be sold, the Company will use its reasonable best efforts to cause such post-effective amendment or such Registration Statement to be filed and become effective, and will pay any applicable fees in accordance with the Act, as soon as possible; and the Company will advise you promptly and, if requested by you, will confirm such advice in writing, (i) when such post-effective amendment or such Registration Statement has become effective, and (ii) if Rule 430A under the Act is used, when the Prospectus is filed with the Commission pursuant to Rule 424(b) under the Act (which the Company agrees to file in a timely manner in accordance with such Rules);

(e) if, at any time during the period when a prospectus is required by the Act to be delivered (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with the offering and sale of Depositary Shares, the Registration Statement shall cease to comply with the requirements of the Act with respect to eligibility for the use of the form on which the Registration Statement was filed with the Commission or the Registration Statement shall cease to be an "automatic shelf registration statement" (as defined in Rule 405 under the Act) or the Company shall have received, from the Commission, a notice, pursuant to Rule 401(g)(2), of objection to the use of the form on which the Registration Statement was filed with the Commission, to (i) promptly notify you, (ii) promptly file with the Commission a new registration

statement under the Act, relating to the Depositary Shares, or a post-effective amendment to the Registration Statement, which new registration statement or post-effective amendment shall comply with the requirements of the Act and shall be in a form satisfactory to you, (iii) use their reasonable best efforts to cause such new registration statement or post-effective amendment to become effective under the Act as soon as practicable, (iv) promptly notify you of such effectiveness and (v) take all other action necessary or appropriate to permit the public offering and sale of the Depositary Shares to continue as contemplated in the Prospectus; all references herein to the Registration Statement shall be deemed to include each such new registration statement or post-effective amendment, if any;

(f) if the third anniversary of the initial effective date of the Registration Statement (within the meaning of Rule 415(a)(5) under the Act) shall occur at any time during the period when a prospectus is required by the Act to be delivered (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with any offering and sale of Depositary Shares, to file with the Commission, prior to such third anniversary, a new registration statement under the Act relating to the Depositary Shares, which new registration statement shall comply with the requirements of the Act (including, without limitation, Rule 415(a)(6) under the Act) and shall be in a form satisfactory to you; such new registration statement shall constitute an “automatic shelf registration statement” (as defined in Rule 405 under the Act); provided, however, that if the Company is not then eligible to file an “automatic shelf registration statement” (as defined in Rule 405 under the Act), then such new registration statement need not constitute an “automatic shelf registration statement” (as defined in Rule 405 under the Act), but the Company shall use its reasonable best efforts to cause such new registration statement to become effective under the Act as soon as practicable, but in any event within 180 days after such third anniversary and promptly notify you of such effectiveness; the Company shall take all other action necessary or appropriate to permit the public offering and sale of the Depositary Shares to continue as contemplated in the Prospectus; all references herein to the Registration Statement shall be deemed to include each such new registration statement, if any;

(g) at any time during the period when a prospectus is required by the Act to be delivered (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with the offering and sale of Depositary Shares, to advise you promptly, confirming such advice in writing, of any request by the Commission for amendments or supplements to the Registration Statement, any Pre-Pricing Prospectus, the Prospectus or any Permitted Free Writing Prospectus or for additional information with respect thereto, or of notice of institution of proceedings for, or the entry of a stop order, suspending the effectiveness of the Registration Statement and, if the Commission should enter a stop order suspending the effectiveness of the Registration Statement, to use the Company’s reasonable best efforts to obtain the lifting or removal of such order as soon as possible; to advise you promptly of any proposal to amend or supplement the Registration Statement, any Pre-Pricing Prospectus or the Prospectus, and to provide you and Underwriters’ counsel copies of any such documents for review and comment a reasonable amount of time under the circumstances prior to any proposed filing and to file no such amendment or supplement to which you shall object in writing;

(h) subject to Section 4(g) hereof, to file promptly all reports and documents and any preliminary or definitive proxy or information statement required to be filed by

the Company with the Commission in order to comply with the Exchange Act for so long as a prospectus is required by the Act to be delivered (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with any sale of the Depositary Shares; and to provide you, for your review and comment, with a copy of such reports and statements and other documents to be filed by the Company pursuant to Section 13, 14 or 15(d) of the Exchange Act during such period a reasonable amount of time prior to any proposed filing; and to promptly notify you of such filing;

(i) to pay the fees applicable to the Registration Statement in connection with the offering of the Depositary Shares within the time required by Rule 456(b)(1)(i) under the Act (without reliance on the proviso to Rule 456(b)(1)(i) under the Act) and in compliance with Rule 456(b) and Rule 457(r) under the Act;

(j) to advise the Underwriters promptly of the happening of any event within the period during which a prospectus is required by the Act to be delivered (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with the offering and sale of the Depositary Shares, which event could require the making of any change in the Prospectus then being used so that the Prospectus would not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading, and to advise the Underwriters promptly if, during such period, it shall become necessary to amend or supplement the Prospectus to cause the Prospectus to comply with the requirements of the Act, and, in each case, during such time, subject to Section 4(g) hereof, to prepare and furnish, at the Company's expense, to the Underwriters promptly such amendments or supplements to such Prospectus as may be necessary to reflect any such change or to effect such compliance;

(k) the Company agrees that if at any time following issuance of a Permitted Free Writing Prospectus any event occurred or occurs as a result of which such Permitted Free Writing Prospectus would conflict with the information in the Registration Statement, the Pre-Pricing Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to you and, if requested by you, will prepare and furnish without charge to each Underwriter a Covered Free Writing Prospectus or other document that will correct such conflict, statement or omission;

(l) to make generally available to its security holders, and to deliver to you, an earnings statement of the Company (which will satisfy the provisions of Section 11(a) of the Act) covering a period of twelve months beginning after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act) as soon as is reasonably practicable after the termination of such twelve-month period;

(m) on your request, to furnish to you such reasonable number of copies of the Registration Statement, as initially filed with the Commission, and of all amendments thereto (including all exhibits thereto and documents incorporated by reference therein)

and sufficient copies of the foregoing (other than exhibits) for distribution of a copy to each of the other Underwriters;

(n) to apply the net proceeds from the sale of the Depositary Shares in the manner set forth under the caption "Use of Proceeds" in the Prospectus Supplement;

(o) to pay all costs, expenses, fees and taxes in connection with (i) the preparation and filing of the Registration Statement, each Basic Prospectus, each Pre-Pricing Prospectus, the Prospectus Supplement, the Prospectus, each Permitted Free Writing Prospectus and any amendments or supplements thereto, and the printing and furnishing of copies of each thereof to the Underwriters and to dealers (including costs of mailing and shipment), (ii) the registration, issue, sale and delivery of the Depositary Shares to the Underwriters, including any transfer taxes and stamp or similar duties payable upon the sale, issuance or delivery of the Depositary Shares to the Underwriters, (iii) the producing, word processing and/or printing of this Agreement, any dealer agreements, any Powers of Attorney and any closing documents (including compilations thereof) and the reproduction and/or printing and furnishing of copies of each thereof to the Underwriters and (except closing documents) to dealers (including costs of mailing and shipment), (iv) the qualification of the Depositary Shares for offering and sale under state laws and the determination of their eligibility for investment under state law (including the reasonable legal fees and filing fees and other disbursements of counsel for the Underwriters) and the printing and furnishing of copies of any blue sky surveys or legal investment surveys to the Underwriters and to dealers, (v) any filing for review of the public offering of the Depositary Shares by FINRA, including the reasonable legal fees and filing fees and other disbursements of counsel to the Underwriters relating to thereto, (vi) the fees and disbursements of any trustee or paying agent for the Depositary Shares (including related fees and expenses of any counsel to such parties), (vii) the costs and expenses of the Company relating to presentations or meetings undertaken in connection with the marketing of the offering and sale of the Depositary Shares to prospective investors and the Underwriters' sales forces, including, without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations, travel, lodging and other expenses incurred by the officers of the Company and any such consultants, and the cost of any aircraft chartered in connection with the road show, (viii) the fees and expenses of the Company's counsel and independent accountants, (ix) any fees charged by rating agencies for rating the Depositary Shares, and (x) the performance of the Company's other obligations hereunder; provided, however, that except as otherwise set forth in this Section 4(o) and Sections 5 and 9 of this Agreement, the Underwriters shall pay their own costs and expenses, including the costs and expenses of counsel for the Underwriters;

(p) not, at any time at or after the execution of this Agreement, directly or indirectly, to offer or sell any Depositary Shares or any Preferred Stock by means of any "prospectus" (within the meaning of the Act), or use any "prospectus" (within the meaning of the Act) in connection with the offer or sale of the Depositary Shares or the Preferred Stock, in each case other than the Prospectus;

(q) not to, and to cause each of its direct and indirect subsidiaries not to, take, directly or indirectly, any action designed, or which will constitute, or has constituted, or might reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Depositary Shares;

(r) beginning on the date hereof and continuing to and including the date 30 days after the date of the Prospectus Supplement, without your prior written consent, not to issue, sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, or with respect to, any Depositary Shares (except for the Depositary Shares offered hereby), any Preferred Stock, any securities that are substantially similar to the Depositary Shares or the Preferred Stock, or any securities that are convertible into or exchangeable for or that represent the right to receive any such substantially similar securities of the Company;

(s) to maintain a transfer agent and, if necessary under the jurisdiction of incorporation of the Company, a registrar for the Depositary Shares; and

(t) to use commercially reasonable efforts to list the Depositary Shares on the NYSE within the 30-day period after the initial delivery of the Depositary Shares and to maintain such listing.

5. Reimbursement of Underwriters' Expenses. If the Depositary Shares are not delivered for any reason other than the termination of this Agreement pursuant to the fifth paragraph of Section 8 hereof or the default by one or more of the Underwriters in its or their respective obligations hereunder, the Company shall, in addition to paying the amounts described in Section 4(o) hereof, reimburse the Underwriters for all of their out-of-pocket expenses, including the reasonable fees and disbursements of their counsel.

6. Conditions of Underwriters' Obligations. The several obligations of the Underwriters hereunder are subject to the accuracy of the representations and warranties of the Company on the date hereof, the Applicable Time and the Closing Date (or, as to Optional Shares, as of the Additional Closing Date, if any) and the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

(a) The Company shall furnish to you at the Time of Purchase and Additional Time of Purchase, if any, an opinion of Arnold & Porter LLP, special counsel for the Company, addressed to the Underwriters, and dated the Closing Date and Additional Closing Date, if any, with executed copies for each of the other Underwriters in the form set forth in Exhibit A hereto.

(b) The Company shall furnish to you at the Time of Purchase and Additional Time of Purchase, if any, an opinion of the Office of Corporate Counsel of the Company, addressed to the Underwriters, and dated the Closing Date and Additional Closing Date, if any, with executed copies for each of the other Underwriters in the form set forth in Exhibit B hereto.

(c) You shall have received from Deloitte & Touche LLP letters dated, respectively, the date of this Agreement, the Closing Date and Additional Closing Date, if any, and addressed to the Underwriters (with executed copies for each of the Underwriters) in the forms satisfactory to you, which letters shall cover, without limitation, the various financial disclosures contained in the Registration Statement, the Pre-Pricing Prospectuses, the Prospectus and the Permitted Free Writing Prospectuses, if any.

(d) You shall have received at the Time of Purchase and Additional Time of Purchase, if any, the written opinion and negative assurance statement of Simpson Thacher & Bartlett LLP, counsel for the Underwriters, dated the Time of Purchase or Additional Time of Purchase, as applicable, in form and substance reasonably satisfactory to the Representatives.

(e) No Prospectus or amendment or supplement to the Registration Statement or the Prospectus shall have been filed to which you shall have objected in writing.

(f) The Registration Statement and any registration statement required to be filed, prior to the sale of the Depositary Shares, under the Act pursuant to Rule 462(b) shall have been filed and shall have become effective under the Act. The Prospectus Supplement shall have been filed with the Commission pursuant to Rule 424(b) under the Act at or before 5:30 p.m., New York City time, on the second full business day after the date of this Agreement (or such earlier time as may be required under the Act). The final term sheet contemplated by Section 4(a) hereof, and any other material required to be filed by the Company pursuant to Rule 433(d) under the Act, shall have been filed with the Commission within the applicable time periods prescribed for such filings by Rule 433;

(g) Prior to and at the Time of Purchase and Additional Time of Purchase, if any, (i) no stop order with respect to the effectiveness of the Registration Statement shall have been issued under the Act or proceedings initiated under Section 8(d) or 8 (e) of the Act; (ii) the Registration Statement and all amendments thereto shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; (iii) none of the Pre-Pricing Prospectuses or the Prospectus, and no amendment or supplement thereto, shall include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading; (iv) the Disclosure Package and any amendment or supplement thereto, shall not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading; and (v) none of the Permitted Free Writing Prospectuses, if any, shall include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading.

(h) The Company will at the Time of Purchase and Additional Time of

Purchase, if any, deliver to you a certificate of the Chief Financial Officer of the Company, dated the Closing Date and Additional Closing Date, if any, in the form attached as Exhibit C hereto.

(i) The Company shall have furnished to you such other documents and certificates as to the accuracy and completeness of any statement in the Registration Statement, any Pre-Pricing Prospectus, the Prospectus or any Permitted Free Writing Prospectus as of the Time of Purchase and Additional Time of Purchase, if any, as you may reasonably request.

(j) FINRA shall not have raised any objection with respect to the fairness or reasonableness of the underwriting, or other arrangements of the transactions, contemplated hereby.

7. Effective Date of Agreement; Termination. This Agreement shall become effective when the parties hereto have executed and delivered this Agreement.

The obligations of the several Underwriters hereunder shall be subject to termination in the absolute discretion of the Representatives, if (1) since the time of execution of this Agreement or the earlier respective dates as of which information is given in the Registration Statement, the Pre-Pricing Prospectuses, the Prospectus and the Permitted Free Writing Prospectuses, if any, there has been any change or any development involving a prospective change in the business, properties, management, financial condition or results of operations of the Company and its subsidiaries taken as a whole, the effect of which change or development is, in the sole judgment of the Representatives, so material and adverse as to make it impractical or inadvisable to proceed with the public offering or the delivery of the Depositary Shares on the terms and in the manner contemplated in the Registration Statement, the Pre-Pricing Prospectuses, the Prospectus and the Permitted Free Writing Prospectuses, if any, or (2) since the time of execution of this Agreement, there shall have occurred: (A) a suspension or material limitation in trading in securities generally on the NYSE, the American Stock Exchange or the NASDAQ Stock Market; (B) a suspension or material limitation in trading in the Company's common stock on the NYSE; (C) a general moratorium on commercial banking activities declared by either federal or New York State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; (D) an outbreak or escalation of hostilities or acts of terrorism involving the United States or a declaration by the United States of a national emergency or war; or (E) any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (D) or (E), in your sole judgment, makes it impractical or inadvisable to proceed with the public offering or the delivery of the Depositary Shares on the terms and in the manner contemplated in the Registration Statement, the Pre-Pricing Prospectuses, the Prospectus and the Permitted Free Writing Prospectuses, if any, or (3) since the time of execution of this Agreement, there shall have occurred any downgrading, or any notice or announcement shall have been given or made of: (A) any intended or potential downgrading or (B) any watch, review or possible change that does not indicate an affirmation or improvement in the rating accorded any securities of or guaranteed by the Company or any Significant Subsidiary by any "nationally recognized statistical rating organization," as that term

is used in Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act.

If the Representatives elect to terminate this Agreement as provided in this Section 7, the Company and each other Underwriter shall be notified promptly in writing.

If the sale to the Underwriters of the Depositary Shares, as contemplated by this Agreement, is not carried out by the Underwriters for any reason permitted under this Agreement, or if such sale is not carried out because the Company shall be unable to comply with any of the terms of this Agreement, the Company shall not be under any obligation or liability under this Agreement (except to the extent provided in Sections 4(o), 5 and 9 hereof), and the Underwriters shall be under no obligation or liability to the Company under this Agreement (except to the extent provided in Section 9 hereof) or to one another hereunder.

8. Increase in Underwriters' Commitments. Subject to Sections 6 and 7 hereof, if any Underwriter shall default in its obligation to take up and pay for the Depositary Shares to be purchased by it hereunder (otherwise than for a failure of a condition set forth in Section 6 hereof or a reason sufficient to justify the termination of this Agreement under the provisions of Section 7 hereof) and if the aggregate liquidation preference of Depositary Shares which all Underwriters so defaulting shall have agreed but failed to take up and pay for does not exceed 10% of the total aggregate liquidation preference of Depositary Shares, the non-defaulting Underwriters (including the Underwriters, if any, substituted in the manner set forth below) shall take up and pay for (in addition to the liquidation preference of Depositary Shares they are obligated to purchase pursuant to Section 1 hereof) the liquidation preference of Depositary Shares agreed to be purchased by all such defaulting Underwriters, as hereinafter provided. Such Depositary Shares shall be taken up and paid for by such non-defaulting Underwriters in such amount or amounts as you may designate with the consent of each Underwriter so designated or, in the event no such designation is made, such Depositary Shares shall be taken up and paid for by all non-defaulting Underwriters pro rata in proportion to the liquidation preference of Depositary Shares set forth opposite the names of such non-defaulting Underwriters in Schedule A.

Without relieving any defaulting Underwriter from its obligations hereunder, the Company agrees with the non-defaulting Underwriters that it will not sell any Depositary Shares hereunder unless all of the Depositary Shares are purchased by the Underwriters (or by substituted Underwriters selected by you with the approval of the Company or selected by the Company with your approval).

If a new Underwriter or Underwriters are substituted by the Underwriters or by the Company for a defaulting Underwriter or Underwriters in accordance with the foregoing provision, the Company or you shall have the right to postpone the Time of Purchase for a period not exceeding five business days in order that any necessary changes in the Registration Statement and the Prospectus and other documents may be effected.

The term "Underwriter" as used in this Agreement shall refer to and include any Underwriter substituted under this Section 8 with like effect as if such substituted Underwriter had originally been named in Schedule A hereto.

If the aggregate liquidation preference of Depositary Shares which the defaulting Underwriter or Underwriters agreed to purchase exceeds 10% of the total aggregate liquidation preference of Depositary Shares which all Underwriters agreed to purchase hereunder, and if neither the non-defaulting Underwriters nor the Company shall make arrangements within the five business day period stated above for the purchase of all the Depositary Shares which the defaulting Underwriter or Underwriters agreed to purchase hereunder, this Agreement shall terminate without further act or deed and without any liability on the part of the Company to any Underwriter and without any liability on the part of any non-defaulting Underwriter to the Company. Nothing in this paragraph, and no action taken hereunder, shall relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

9. Indemnity and Contribution.

(a) The Company agrees to indemnify, defend and hold harmless each Underwriter, its partners, directors and officers, and any person who controls any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, and any “affiliate” that sells Depositary Shares on behalf of such Underwriters, and the successors and assigns of all of the foregoing persons, from and against any loss, damage, expense, liability or claim (including the reasonable cost of investigation) which, jointly or severally, any such Underwriter or any such person may incur under the Act, the Exchange Act, the common law or otherwise, insofar as such loss, damage, expense, liability or claim arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or in the Registration Statement as amended by any post-effective amendment thereof by the Company) or arises out of or is based upon any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as any such loss, damage, expense, liability or claim arises out of or is based upon any untrue statement or alleged untrue statement of a material fact contained in, and in conformity with information concerning such Underwriter furnished in writing by or on behalf of such Underwriter through you to the Company expressly for use in, the Registration Statement or arises out of or is based upon any omission or alleged omission to state a material fact in the Registration Statement in connection with such information, which material fact was not contained in such information and which material fact was required to be stated in such Registration Statement or was necessary to make such information not misleading or (ii) any untrue statement or alleged untrue statement of a material fact included in any Prospectus (the term Prospectus for the purpose of this Section 9 being deemed to include any Basic Prospectus, any Pre-Pricing Prospectus, the Prospectus Supplement, the Prospectus and any amendments or supplements to the foregoing), in any Covered Free Writing Prospectus, in any “issuer information” (as defined in Rule 433 under the Act) of the Company, which “issuer information” is required to be, or is, filed with the Commission, or in any Prospectus together with any combination of one or more of the Covered Free Writing Prospectuses, if any, or arises out of or is based upon any omission or alleged omission to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except, with respect to such Prospectus or Permitted Free Writing Prospectus, insofar as any such loss, damage, expense, liability or claim

arises out of or is based upon any untrue statement or alleged untrue statement of a material fact contained in, and in conformity with information concerning such Underwriter furnished in writing by or on behalf of such Underwriter through you to the Company expressly for use in, such Prospectus or Permitted Free Writing Prospectus or arises out of or is based upon any omission or alleged omission to state a material fact in such Prospectus or Permitted Free Writing Prospectus in connection with such information, which material fact was not contained in such information and which material fact was necessary in order to make the statements in such information, in the light of the circumstances under which they were made, not misleading.

(b) Each Underwriter severally agrees to indemnify, defend and hold harmless the Company, its directors and officers and any person who controls the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, and the successors and assigns of all of the foregoing persons, from and against any loss, damage, expense, liability or claim (including the reasonable cost of investigation) which, jointly or severally, the Company or any such person may incur under the Act, the Exchange Act, the common law or otherwise, insofar as such loss, damage, expense, liability or claim arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in, and in conformity with information concerning such Underwriter furnished in writing by or on behalf of such Underwriter through you to the Company expressly for use in, the Registration Statement (or in the Registration Statement as amended by any post-effective amendment thereof by the Company), or arises out of or is based upon any omission or alleged omission to state a material fact in such Registration Statement in connection with such information, which material fact was not contained in such information and which material fact was required to be stated in such Registration Statement or was necessary to make such information not misleading or (ii) any untrue statement or alleged untrue statement of a material fact contained in, and in conformity with information concerning such Underwriter furnished in writing by or on behalf of such Underwriter through you to the Company expressly for use in, a Prospectus or a Permitted Free Writing Prospectus, or arises out of or is based upon any omission or alleged omission to state a material fact in such Prospectus or such Permitted Free Writing Prospectus in connection with such information, which material fact was not contained in such information and which material fact was necessary in order to make the statements in such information, in the light of the circumstances under which they were made, not misleading.

(c) If any action, suit or proceeding (each, a "Proceeding") is brought against a person (an "indemnified party") in respect of which indemnity may be sought against the Company or an Underwriter (as applicable, the "indemnifying party") pursuant to subsection (a) or (b), respectively, of this Section 9, such indemnified party shall promptly notify such indemnifying party in writing of the institution of such Proceeding and such indemnifying party shall assume the defense of such Proceeding, including the employment of counsel reasonably satisfactory to such indemnified party and payment of all fees and expenses; provided, however, that the omission to so notify such indemnifying party shall not relieve such indemnifying party from any liability which such indemnifying party may have to any indemnified party or otherwise. The

indemnified party or parties shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such indemnified party or parties unless the employment of such counsel shall have been authorized in writing by the indemnifying party in connection with the defense of such Proceeding or the indemnifying party shall not have, within a reasonable period of time in light of the circumstances, employed counsel to defend such Proceeding or such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them which are different from, additional to or in conflict with those available to such indemnifying party (in which case such indemnifying party shall not have the right to direct the defense of such Proceeding on behalf of the indemnified party or parties), in any of which events such fees and expenses shall be borne by such indemnifying party and paid as incurred (it being understood, however, that such indemnifying party shall not be liable for the expenses of more than one separate counsel (in addition to any local counsel) in any one Proceeding or series of related Proceedings in the same jurisdiction representing the indemnified parties who are parties to such Proceeding). The indemnifying party shall not be liable for any settlement of any Proceeding effected without its written consent but, if settled with its written consent, such indemnifying party agrees to indemnify and hold harmless the indemnified party or parties from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second sentence of this Section 9(c), then the indemnifying party agrees that it shall be liable for any settlement of any Proceeding effected without its written consent if (i) such settlement is entered into more than 60 business days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall not have fully reimbursed the indemnified party in accordance with such request prior to the date of such settlement and (iii) such indemnified party shall have given the indemnifying party at least 30 days' prior notice of its intention to settle. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened Proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such Proceeding and does not include an admission of fault or culpability or a failure to act by or on behalf of such indemnified party.

(d) If the indemnification provided for in this Section 9 is unavailable to an indemnified party under subsections (a) and (b) of this Section 9 or insufficient to hold an indemnified party harmless in respect of any losses, damages, expenses, liabilities or claims referred to therein, then each applicable indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, damages, expenses, liabilities or claims (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering of the Depositary Shares or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative

fault of the Company on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such losses, damages, expenses, liabilities or claims, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same respective proportions as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by the Company, and the total underwriting discounts and commissions received by the Underwriters, bear to the aggregate public offering price of the Depositary Shares. The relative fault of the Company on the one hand and of the Underwriters on the other shall be determined by reference to, among other things, whether the untrue statement or alleged untrue statement of a material fact or omission or alleged omission relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party as a result of the losses, damages, expenses, liabilities and claims referred to in this subsection shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with investigating, preparing to defend or defending any Proceeding.

(e) The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 9 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in subsection (d) above. Notwithstanding the provisions of this Section 9, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Depositary Shares underwritten by such Underwriter and distributed to the public were offered to the public exceeds the amount of any damage which such Underwriter has otherwise been required to pay by reason of such untrue statement or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to this Section 9 are several in proportion to their respective underwriting commitments and not joint.

(f) The indemnity and contribution agreements contained in this Section 9 and the covenants, warranties and representations of the Company contained in this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of any Underwriter, its partners, directors or officers or any person (including each partner, officer or director of such person) who controls any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, or by or on behalf of the Company its directors or officers or any person who controls the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, and shall survive any termination of this Agreement or the issuance and delivery of the Depositary Shares. The Company and each Underwriter agree promptly to notify each other of the commencement of any Proceeding against it and, in the case of the Company, against any of the Company's officers or directors in connection with the issuance and sale of the Depositary Shares, or in connection with the Registration Statement, any Basic

Prospectus, any Pre-Pricing Prospectus, the Prospectus or any Permitted Free Writing Prospectus.

10. Information Furnished by the Underwriters. The statements set forth in the first three sentences of the sixth paragraph, and in the twelfth paragraph under the caption “Underwriting” in the Prospectus Supplement, only insofar as such statements relate to the amount of selling concession and reallowance or stabilization activities that may be undertaken by the Underwriters, constitute the only information furnished by or on behalf of the Underwriters, as such information is referred to in Sections 3 and 9 hereof.

11. Notices. Except as otherwise herein provided, all statements, requests, notices and agreements shall be in writing or by telegram or facsimile and, if to the Underwriters, shall be sufficient in all respects if delivered or sent to Citigroup Global Markets Inc., 388 Greenwich Street, New York, New York 10013, facsimile number (212) 816-7912, Attention: General Counsel, Merrill Lynch, Pierce, Fenner & Smith Incorporated, 50 Rockefeller Plaza, NY 10026, New York, New York 10026, facsimile number (212) 548-8511, Attention: High Grade Transaction Management/Legal, UBS Securities LLC, 677 Washington Boulevard, Stamford, CT 06901, Attention: Fixed Income Syndicate and Wells Fargo Securities, LLC, 301 South College Street, Charlotte, North Carolina 28202, facsimile number (704) 383-9165, Attention: Transaction Management, with a copy to Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, facsimile number (212) 455-2502, Attention: Roxane Reardon, and, if to the Company, shall be sufficient in all respects if delivered or sent to the Company at the offices of the Company at 211 Main Street, San Francisco, CA 94105, Attention: Carrie Dwyer, with a copy, not constituting notice, to Arnold & Porter LLP, 3 Embarcadero Center, 7th Floor, San Francisco, CA 94111, Attention: Teresa L. Johnson.

12. Governing Law; Construction. This Agreement and any claim, counterclaim or dispute of any kind or nature whatsoever arising out of or in any way relating to this Agreement (“Claim”), directly or indirectly, shall be governed by, and construed in accordance with, the laws of the State of New York. The section headings in this Agreement have been inserted as a matter of convenience of reference and are not a part of this Agreement.

13. Submission to Jurisdiction. Except as set forth below, no Claim may be commenced, prosecuted or continued in any court other than the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York, which courts shall have jurisdiction over the adjudication of such matters, and the Company consent to the jurisdiction of such courts and personal service with respect thereto. The Company hereby consents to personal jurisdiction, service and venue in any court in which any Claim arising out of or in any way relating to this Agreement is brought by any third party against any Underwriter or any indemnified party. Each Underwriter and the Company (on its behalf and, to the extent permitted by applicable law, on behalf of its stockholders and affiliates) waive all right to trial by jury in any action, proceeding or counterclaim (whether based upon contract, tort or otherwise) in any way arising out of or relating to this Agreement. The Company agrees that a final judgment in any such action, proceeding or counterclaim brought in any such court shall be conclusive and binding upon the Company and may be enforced in any other courts to the jurisdiction of which the Company is or

may be subject, by suit upon such judgment.

14. Parties at Interest. The Agreement herein set forth has been and is made solely for the benefit of the Underwriters and the Company and to the extent provided in Section 9 hereof the controlling persons, partners, directors and officers and affiliates referred to in such Section, and their respective successors, assigns, heirs, personal representatives and executors and administrators. No other person, partnership, association or corporation (including a purchaser, as such purchaser, from any of the Underwriters) shall acquire or have any right under or by virtue of this Agreement.

15. No Fiduciary Relationship. The Company hereby acknowledges that the Underwriters are acting solely as underwriters in connection with the purchase and sale of the Depositary Shares. The Company further acknowledges that the Underwriters are acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis, and in no event do the parties intend that the Underwriters act or be responsible as a fiduciary to the Company, its management, stockholders or creditors or any other person in connection with any activity that the Underwriters may undertake or have undertaken in furtherance of the purchase and sale of the Depositary Shares, either before or after the date hereof. The Underwriters hereby expressly disclaim any fiduciary or similar obligations to the Company, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Company hereby confirms its understanding and agreement to that effect. The Company and the Underwriters agree that they are each responsible for making their own independent judgments with respect to any such transactions and that any opinions or views expressed by the Underwriters to the Company regarding such transactions, including, but not limited to, any opinions or views with respect to the price or market for any of the Company's securities, do not constitute advice or recommendations to the Company. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against the Underwriters with respect to any breach or alleged breach of any fiduciary or similar duty to the Company in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions.

16. Counterparts. This Agreement may be signed by the parties in one or more counterparts which together shall constitute one and the same agreement among the parties.

17. Successors and Assigns. This Agreement shall be binding upon the Underwriters and the Company and their successors and assigns and any successor or assign of any substantial portion of the Company's and any of the Underwriters' respective businesses and/or assets.

[The Remainder of This Page Intentionally Left Blank; Signature Page Follows]

If the foregoing correctly sets forth the understanding between the Company and the several Underwriters, please so indicate in the space provided below for that purpose, whereupon this Agreement and your acceptance shall constitute a binding agreement among the Company and the Underwriters, severally.

Very truly yours,

THE CHARLES SCHWAB CORPORATION

By: /s/ Joseph R. Martinetto

Name: Joseph R. Martinetto

Title: Executive Vice President and Chief Financial
Officer

Signature Page to Underwriting Agreement

Accepted and agreed to as of the date first above written, on behalf of itself and the other several Underwriters named in Schedule A.

CITIGROUP GLOBAL MARKETS INC.

By: /s/ Jack D. McSpadden
Name: Jack D. McSpadden
Title: Managing Director

UBS SECURITIES LLC

By: /s/ Scott Yeager
Name: Scott Yeager
Title: Managing Director

By: /s/ Demetrios Tsapralis
Name: Demetrios Tsapralis
Title: Executive Director

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By: /s/ Jim Probert
Name: Jim Probert
Title: Head of Americas HG Capital Markets

WELLS FARGO SECURITIES, LLC

By: /s/ Carolyn Hurley
Name: Carolyn Hurley
Title: Director

Signature Page to Underwriting Agreement

SCHEDULE A

<u>Underwriter</u>	<u>Number of Depository Shares</u>
Citigroup Global Markets Inc.	3,442,500
Merrill Lynch, Pierce, Fenner & Smith Incorporated	3,442,500
UBS Securities LLC	3,442,500
Wells Fargo Securities, LLC	3,442,500
Credit Suisse Securities (USA) LLC	850,000
Goldman, Sachs & Co.	850,000
J.P. Morgan Securities LLC	850,000
BNY Mellon Capital Markets, LLC	170,000
U.S. Bancorp Investments, Inc.	170,000
Janney Montgomery Scott LLC	85,000
Oppenheimer & Co. Inc.	85,000
RBC Capital Markets, LLC	85,000
Wedbush Securities Inc.	85,000
Total	17,000,000

Schedule A-1

SCHEDULE B

Permitted Free Writing Prospectuses

Final Term Sheet prepared and filed pursuant to Section 4(a) and in the form of Schedule C.

Schedule B-1

SCHEDULE C

Filed Pursuant to Rule 433
Dated May 30, 2012
Registration Statement: No. 333-178525

The Charles Schwab Corporation

**17,000,000 DEPOSITARY SHARES,
EACH REPRESENTING A 1/40th INTEREST IN A SHARE OF 6.00% NON-CUMULATIVE PERPETUAL
PREFERRED STOCK, SERIES B**

(liquidation preference \$1,000 per share (equivalent to \$25 per depositary share))

SUMMARY OF TERMS

Issuer:	The Charles Schwab Corporation
Security Offered:	Depositary Shares, Each Representing a 1/40 th Interest in a Share of 6.00% Non-Cumulative Perpetual Preferred Stock, Series B (the "Series B Preferred Stock")
Expected Ratings*:	[Intentionally omitted]
Size:	\$425,000,000 (17,000,000 depositary shares)
Over-allotment Option:	Up to an additional \$63,750,000 (2,550,000 depositary shares)
Liquidation Preference:	\$1,000 per share of Series B Preferred Stock (equivalent to \$25 per depositary share) Aggregate liquidation preference of \$425,000,000 (or \$488,750,000 if the underwriters exercise the over-allotment option in full)
Dividend Rate (Non-Cumulative):	6.00% per annum from the date of initial issuance
Dividend Payment Dates:	March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2012
Day Count:	30/360
Term:	Perpetual
Optional Redemption:	In whole or in part, from time to time, on any dividend payment date on or after September 1, 2017, or in whole but not in part, at any time within 90 days following a regulatory capital treatment event (as defined in the preliminary prospectus supplement dated May 29, 2012)
Trade Date:	May 30, 2012

Settlement Date:	June 6, 2012 (T+5)
Public Offering Price:	\$25 per depositary share
Underwriting Discounts and Commissions:	\$0.3125 per depositary share sold to institutional investors \$0.7875 per depositary share sold to retail investors
Estimated Net Proceeds to Issuer, After Deducting Underwriting Discounts and Commissions and Offering Expenses:	\$411 million (or \$473 million if the underwriters exercise their over-allotment option in full)
Listing:	We intend to apply to list the depositary shares on the New York Stock Exchange (“NYSE”) under the symbol “SCHW PrB.” If the application is approved, we expect trading of the depositary shares on the NYSE to begin within the 30-day period after the initial delivery of the depositary shares.
CUSIP/ISIN:	808513204 /US8085132046
Joint Book-Running Managers:	Citigroup Global Markets Inc. Merrill Lynch, Pierce, Fenner & Smith Incorporated UBS Securities LLC Wells Fargo Securities, LLC
Joint Lead Managers	Credit Suisse Securities (USA) LLC Goldman, Sachs & Co. J.P. Morgan Securities LLC
Co-Managers:	BNY Mellon Capital Markets, LLC U.S. Bancorp Investments, Inc.

* Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.

CAPITALIZATION—AS ADJUSTED

The following table sets forth the Issuer’s consolidated cash and cash equivalents and capitalization at March 31, 2012, as adjusted for the offering of 17,000,000 depositary shares.

<u>(In millions)</u>	<u>As adjusted for the Offering</u>
Cash and cash equivalents	\$ 7,205
Preferred stock	\$ 805
Total stockholders’ equity	\$ 8,748
Total capitalization	\$ 10,748

The Issuer has filed a registration statement (including a preliminary prospectus supplement and accompanying prospectus) with the U.S. Securities and Exchange Commission (the "SEC") for the offering to which this communication relates. Before you invest, you should read the preliminary prospectus supplement and accompanying prospectus and other documents the Issuer has filed with the SEC for more complete information about the Issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the Issuer, any underwriter or any dealer participating in the offering will arrange to send you the preliminary prospectus supplement and accompanying prospectus if you request it by calling Citigroup Global Markets Inc. toll-free at 1-877-858-5407, Merrill Lynch, Pierce, Fenner & Smith Incorporated at 1-800-294-1322, UBS Securities LLC at 1-877-827-6444, ext. 561-3884 or Wells Fargo Securities, LLC at 1-800-326-5897.

Any disclaimer or other notice that may appear below is not applicable to this communication and should be disregarded. Such disclaimer or notice was automatically generated as a result of this communication being sent by Bloomberg or another email system.

Schedule C-3

EXHIBIT A

FORM OF OPINION OF
ARNOLD & PORTER LLP

June [6], 2012

Citigroup Global Markets Inc.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
UBS Securities LLC
Wells Fargo Securities, LLC
as Representatives of the several
Underwriters named in Schedule A
of the Underwriting Agreement

c/o Citigroup Global Markets Inc.
390 Greenwich Street
New York, New York 10013

c/o Merrill Lynch, Pierce, Fenner & Smith Incorporated
One Bryant Park
New York, New York 10036

c/o UBS Securities LLC
677 Washington Boulevard
Stamford, CT 06901

c/o Wells Fargo Securities, LLC
301 South College Street
Charlotte, North Carolina 28202

Re: **Underwritten Public Offering of [] Depositary Shares, Each Representing a 1/40th Interest in a Share of []% Non-Cumulative Perpetual Preferred Stock, Series B of The Charles Schwab Corporation**

Ladies and Gentlemen:

You have requested our opinion as special legal counsel to The Charles Schwab Corporation, a Delaware corporation (the "**Company**"), with respect to certain matters in connection with the sale today to the Underwriters of [] depositary shares (the "**Depositary Shares**"), each representing a 1/40th interest in a share of the []% Non-Cumulative Perpetual Preferred Stock, Series B of the Company (the "**Series B Preferred Stock**," and together with the Depositary Shares, the "**Securities**"), pursuant to that certain Underwriting Agreement dated May [30], 2012 by and among the Company and the several Underwriters named in Schedule A thereto (the "**Underwriting Agreement**"). Except as otherwise specified, all capitalized terms

used herein have the same meanings given to them in the Underwriting Agreement. (For the avoidance of doubt and without limiting the generality of the foregoing sentence, the terms “Registration Statement,” “Prospectus,” “Disclosure Package,” “Pre-Pricing Prospectus” and “Basic Prospectus” have the same meanings given to them in the Underwriting Agreement.) This opinion is rendered pursuant to Section 6(a) of the Underwriting Agreement.

In this connection, we have examined the following documents:

- (1) The Underwriting Agreement;
- (2) The Deposit Agreement dated June [6], 2012 by and among the Company, Wells Fargo Bank, National Association (the “*Depository*”), and the holders from time to time of the Depository Receipts (such agreement, the “*Deposit Agreement*”);
- (3) The Certificate of Designations of the []% Non-Cumulative Perpetual Preferred Stock, Series B of the Company, filed with the Secretary of State of the State of Delaware on May [], 2012;
- (4) The executed stock certificate evidencing the shares of Series B Preferred Stock deposited with the Depository;
- (5) The executed global depositary receipt evidencing the Depository Shares (the “*Global Depository Receipt*”);
- (6) The registration statement on Form S-3 (File No. 333-178525) and the exhibits thereto filed by the Company with the Securities and Exchange Commission (the “*Commission*”) on December 15, 2011 (the “*2011 Registration Statement*”) pursuant to the Securities Act of 1933, as amended, and the rules and regulations thereunder (the “*Securities Act*”);
- (7) The preliminary prospectus supplement (File No. 333-178525) filed by the Company with the Commission on May [], 2012 (the “*Preliminary Prospectus Supplement*”);
- (8) The free writing prospectus (File No. 333-178525) filed by the Company with the Commission on May [], 2012;
- (9) The final prospectus supplement (File No. 333-178525) filed by the Company with the Commission on May [], 2012 (the “*Final Prospectus Supplement*”);
- (10) The following documents filed by the Company with the Commission pursuant to the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (the “*Exchange Act*”): (i) the Company’s report on Form 10-K for the fiscal year ended December 31, 2011 (including such information from the Company’s proxy statement on Schedule 14A filed on March 30, 2012 that is incorporated by reference in Part III of such report); the Company’s report on Form 10-Q for the quarter ended March 31, 2012; and (iii) the Company’s current reports on Form 8-K filed on January 26, 2012, February 2, 2012, March 13, 2012 and May 22, 2012 (collectively, the “*Incorporated Documents*”);

(11) Resolutions of the Board of Directors of the Company adopted on December 14, 2011 and May 17, 2012, and resolutions of the Pricing Committee of the Board of Directors adopted on May [30], 2012;

(12) The Company's Fifth Restated Certificate of Incorporation, filed with the Secretary of State of the State of Delaware on May 7, 2001, as amended by the Certificate of Designations of Fixed to Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A filed with the Secretary of State of the State of Delaware on January 24, 2012; the Certificate of Incorporation of Schwab Holdings, Inc. ("**Holdings**") filed with the Secretary of State of the State of Delaware on June 8, 1982, as amended by the Certificates of Amendment filed with the Secretary of State of the State of Delaware on January 28, 1983 and April 30, 1987; the Restated Certificate of Incorporation of Charles Schwab Investment Management, Inc. ("**CSIM**") filed with the Secretary of State of the State of Delaware on February 1, 1990; and the Certificate of Restated Articles of Charles Schwab & Co., Inc. ("**CS & Co.**") filed with the Secretary of State of the State of California on March 4, 1981, as amended by the Certificate of Amendment filed with the Secretary of State of the State of California on November 7, 1988 (collectively, the "**Charters**");

(13) The Company's Fourth Restated Bylaws dated December 12, 2007, as amended on July 28, 2009 and January 27, 2010; the bylaws of Holdings dated July 1, 1982; the bylaws of CSIM, certified as of the date hereof by an officer of the Company; and the bylaws of CS & Co., certified as of the date hereof by an officer of the Company (collectively, the "**Bylaws**");

(14) Certificates, each dated as of a recent date, from the Secretary of State of the State of Delaware as to the good standing of the Company, Holdings and CSIM in that state, from the Secretary of State of the State of California as to the good standing of CS & Co. in that state, from the Secretary of State of the State of California as to the qualification of the Company to do business in that state, and from the respective Secretaries of State of the states of Arizona, Colorado, Florida, Illinois, Indiana, New Jersey, New York, Pennsylvania, Texas and Washington as to the qualification of CS & Co. to do business in such states (collectively, the "**Good Standing Certificates**");

(15) The minute books of the Company and of each of Holdings, CSIM and CS & Co. (collectively, the "**Significant Subsidiaries**") provided to us by one or more officers of the Company (collectively, the "**Minute Books**");

(16) The contracts listed on **EXHIBIT A** hereto (the "**Company Contracts**");

(17) One or more certificates provided to us by one or more officers of the Company (the "**Officers' Certificates**");

(18) The written order of the Company, pursuant to Section 2.2 of the Deposit Agreement, directing the Depository to execute and deliver the Global Depository Receipt; and

(19) A certificate of the Depository.

The Underwriting Agreement and the Deposit Agreement are referred to hereafter as the “*Transaction Agreements*.”

In rendering the opinions set forth below, we have assumed the legal capacity of individuals, that the signatures on all documents not executed in our presence are genuine, that all documents submitted to us as originals are authentic, that all documents submitted to us as reproduced or certified copies conform to the original documents, that all Company Contracts filed with the Commission conform to the original documents, that all corporate records of the Company and the Significant Subsidiaries provided to us for review are accurate and complete, and that any reviews and searches of public records obtained by us are accurate and complete. We have further assumed that each of the parties to the Transaction Agreements other than the Company is duly qualified to engage in the transactions contemplated by the Transaction Agreements; that the Transaction Agreements have been duly authorized, executed, and delivered by, and constitute the valid and binding obligations of, each of the parties thereto other than the Company, and are enforceable against the parties thereto other than the Company in accordance with their respective terms; that the parties to the Transaction Agreements other than the Company have the requisite power and authority to perform their respective obligations under the Transaction Agreements executed and delivered by them; and that there are no documents, agreements or understandings among or between any parties to the Transaction Agreements or others that would modify the respective rights and obligations of such parties as set forth in the Transaction Agreements or that otherwise would have an effect on the opinions rendered below.

As to matters of fact material to our opinions, we have relied solely upon our review of the documents referred to in the second paragraph of this letter, and upon oral advice from the staff of the Commission. We have assumed that the recitals of fact and the representations and warranties of all parties as to factual matters set forth in the documents referred to above are true, complete and correct on the date hereof. We have not independently verified any factual matters or the validity of any assumptions made by us in this letter, and we express no opinion or belief, and disclaim any implication or inference, as to the reasonableness of any such assumption.

For purposes of this opinion letter, we have considered only Applicable Laws (as defined herein). “*Applicable Laws*” means those laws, statutes, rules and regulations of the United States of America and the State of California presently in effect that, in our experience, are normally applicable to transactions of the kind contemplated by the Transaction Agreements (collectively, “*California Law*”) and the Delaware General Corporation Law; provided, however, that, with respect to our opinions in clause (ii) of the second sentence of paragraph 4 below, and in the second sentence of paragraph 5 below, “Applicable Laws” means those laws, statutes, rules and regulations of the United States of America and the State of New York presently in effect that, in our experience, are normally applicable to transactions of the kind contemplated by the Deposit Agreement (collectively, “*New York Law*”) and the Delaware General Corporation Law; and provided, further, that, with respect to our opinions in the last sentence of paragraph 3 below, “Applicable Laws” means California Law, New York Law, and the Delaware General Corporation Law; and provided, further, that, with respect to execution and delivery of the Transaction Agreements, “Applicable Laws” means California Law, to the

extent such execution and delivery are governed by California Law, New York Law, to the extent such execution and delivery are governed by New York Law, and the Delaware General Corporation Law, to the extent such execution and delivery are governed by the Delaware General Corporation Law. Without suggesting that any of the following might otherwise be applicable to transactions of the kind contemplated by the Transaction Agreements, “Applicable Laws” specifically does not include, among other laws, the following “**Excluded Laws**”: any laws, statutes, ordinances, rules, regulations, decisions or administrative interpretations (a) of any county, locality or municipality, (b) pertaining to taxes (except United States federal tax law for purposes of paragraph 9 below); securities (except the Securities Act for purposes of paragraphs 6 through 11 below and the statement immediately following paragraph 13 below, and the Investment Company Act for purposes of paragraph 12 below); the regulation of banks, thrifts, savings and loan associations or any similar entity that is engaged in the business of lending as one of its principal business activities, or holding companies of any of the foregoing; labor, employee or management relations; money laundering; privacy; environment; health and safety; trade regulation; franchising; antitrust; intellectual property; unfair competition; or pension, retirement, deferred compensation or any other employee benefits, including ERISA, (c) relating to choice of law or conflicts of law and/or (d) to which the transactions are or may be subject because of the legal or regulatory status of any person other than the Company or because of any facts pertaining to any such person. Although Excluded Laws may apply to the Transaction Agreements (or performance thereunder), we express no opinion with respect to the effect of Excluded Laws on the matters involved in the opinions set forth herein.

Whenever an opinion herein is qualified by the phrase “known to us,” “to our knowledge,” “of which we are aware,” or any similar phrase, we intend to indicate that during the course of our representation of the Company, no information has come to the attention of those attorneys currently employed by this law firm who have rendered legal services to the Company in connection with substantive legal matters that would give such attorneys actual knowledge of the inaccuracy of such opinion. We have not undertaken or conducted any independent investigation to determine the accuracy of any such opinion, and any limited inquiry undertaken by us during the preparation of the opinions herein should not be regarded as such an investigation; no inference as to our knowledge of any matters bearing on the accuracy of any such opinion should be drawn from the fact of our representation of the Company. Further, we call to your attention that the Company is a holding company for, and therefore engages directly or indirectly in, multi-faceted and complex businesses, and that we have not represented the Company in connection with all of its business activities. Accordingly, our actual knowledge typically does not extend to or encompass any matter or issue as to which we have not advised the Company.

The opinions set forth below are subject to the following:

(i) The factual basis for our opinions in paragraph 1 below is based solely on our review of the Charters, the Minute Books, the Good Standing Certificates and the Officers’ Certificates;

(ii) Our opinions in paragraph 3, clauses (c) and (d), and paragraph 13 below are based solely upon an examination of the Company Contracts. We have made no further investigation. With regard to the Company Contracts, we have assumed with respect to each

Company Contract that such Company Contract would be interpreted in accordance with its plain meaning and that it is governed by the substantive laws of the State of California (without regard to conflicts-of-law and choice-of-law principles), even though the terms of such Company Contract may provide that the law of a jurisdiction other than California is the governing law of such Company Contract. We express no opinion as to any statement or writing that may constitute parol evidence bearing on interpretation or construction of any Company Contract. Further, to the extent that any of the Company Contracts contain any financial covenants, provisions relating to the occurrence of a “material adverse effect” or similar provisions, for purposes of our opinions in paragraph 3, clauses (c) and (d) below, we have relied solely on the Officers’ Certificates as to (i) the Company’s compliance with any and all such financial covenants and provisions, and (ii) the conclusion that the execution, delivery and performance by the Company of its obligations under the Transaction Agreements and the issuance and sale of the Securities do not, under any such financial covenants or provisions, constitute a default or result in the imposition of a lien or encumbrance, and we have undertaken no investigation or analysis, nor conducted any financial computations, with respect thereto;

(iii) Our opinion in the second sentence of paragraph 7 below is based solely upon oral advice from the staff of the Commission;

(iv) Except to the limited extent set forth in paragraphs 9, 10 and 11 below and the statement immediately following paragraph 13 below, we express no opinion whatsoever as to the compliance or noncompliance by any person with antifraud or information delivery provisions of state or federal laws, rules and regulations; and

(v) We express no opinion regarding the rights or remedies available to any party for material violations or breaches that are the proximate result of actions taken by any party other than the party against whom enforcement is sought.

Based upon the foregoing, and subject to the assumptions, exceptions, limitations and qualifications stated herein, we are of the opinion that:

1. Each of the Company, Holdings and CSIM is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. CS & Co. is a corporation duly incorporated, validly existing and in good standing under the laws of the State of California. The Company is qualified to do business as a foreign corporation in the State of California. CS & Co. is qualified to do business as a foreign corporation in the states of Arizona, Colorado, Florida, Illinois, Indiana, New Jersey, New York, Pennsylvania, Texas and Washington.

2. Each of the Company and the Significant Subsidiaries has the corporate power and corporate authority to own or lease its properties and assets and to conduct its business as described in the Disclosure Package and the Prospectus. The Company has the corporate power and corporate authority to execute, deliver and perform its obligations under the Transaction Agreements. The Company’s execution, delivery and performance of its obligations under the Transaction Agreements, including the deposit of the Series B Preferred Stock in accordance

with the terms of the Deposit Agreement, have been duly authorized by all necessary corporate action on the part of the Board of Directors of the Company.

3. The execution, delivery and performance by the Company of its obligations under the Transaction Agreements on the date hereof in accordance with its terms and the issuance and sale of the Securities do not (a) violate the Charters or the Bylaws, (b) violate any judgment, writ, decree or order of any court to which the Company is named as a party and of which we are aware, (c) constitute a default by the Company or any Significant Subsidiary under any Company Contract, or (d) result in the imposition of a lien or encumbrance on any material properties of the Company or of any Significant Subsidiary pursuant to any Company Contract. The execution and delivery by the Company of the Transaction Agreements, and the issuance and sale of the Securities on the date hereof in accordance with the terms of the Transaction Agreements, do not violate any Applicable Law.

4. The Company's authorized capital stock is as set forth in the Basic Prospectus, the Preliminary Prospectus Supplement and the Final Prospectus Supplement. The Securities have been duly authorized by the Company and, upon payment and delivery in accordance with the Underwriting Agreement and the Deposit Agreement, (i) the Securities will be validly issued, fully paid and nonassessable, and (ii) the holders of the Depositary Shares will be entitled to the rights specified in the Deposit Agreement and the Global Depositary Receipt. The Global Depositary Receipt complies with the form therefor prescribed in the Deposit Agreement.

5. The Transaction Agreements have been duly executed and delivered by the Company. The Deposit Agreement constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

6. No consent, approval or authorization of, or designation, declaration or filing with, any Delaware, California or federal governmental authority is required by the Company under any Applicable Law in connection with the execution, delivery and performance by the Company of its obligations under the Transaction Agreements in accordance with their respective terms, and the issuance and the sale of the Securities in accordance with the terms of the Transaction Agreements, other than (i) those that have already been obtained and are in full force and effect, and (ii) those that are required or permitted to be obtained after the date hereof (except that we express no opinion with respect to any consent, approval, authorization, designation, declaration or filing required under the state securities or "blue sky" laws of the various jurisdictions in which the Securities are being offered by the Underwriters, and we express no opinion with respect to the Conduct Rules of the Financial Industry Regulatory Authority (FINRA)).

7. The Registration Statement has become effective under the Securities Act. To our knowledge, no stop order suspending the effectiveness of the Registration Statement or any part thereof has been issued and no proceedings for that purpose are pending under the Securities Act. The Preliminary Prospectus Supplement and the Final Prospectus Supplement were filed with the Commission pursuant to Rule 424(b) under the Securities Act.

8. The Registration Statement (including, for the avoidance of doubt, the Pre-Pricing Prospectus and the Prospectus) appears on its face to be responsive as to form in all material

respects to all applicable requirements of the Securities Act (including without limitation Section 10(a) of the Securities Act), provided, however, that we express no view as to any financial statements, schedules and notes and other financial and statistical information derived therefrom and included therein.

9. The statements contained in the Preliminary Prospectus Supplement and the Final Prospectus Supplement under the caption “Certain Material U.S. Federal Income Tax Considerations,” insofar as such statements purport to constitute summaries of matters of United States federal tax law and regulations or legal conclusions with respect thereto, constitute in all material respects accurate summaries of such matters or conclusions, as the case may be.

10. The statements contained in the Preliminary Prospectus Supplement and the Final Prospectus Supplement under the captions “Description of Series B Preferred Stock” and “Description of Depositary Shares,” and the statements contained in the Basic Prospectus under the caption “Description of Preferred Stock” and “Description of Depositary Shares,” insofar as such statements purport to constitute summaries of certain terms of documents referred to therein or summaries of matters of law, constitute in all material respects accurate summaries of such terms or matters, as the case may be.

11. To our knowledge, there are no contracts or documents required under the Securities Act (i) to be filed as exhibits to the Registration Statement or incorporated by reference therein which have not been so filed or incorporated by reference as required, or (ii) to be described in the Registration Statement (including, for the avoidance of doubt, the Pre-Pricing Prospectus and the Prospectus) which have not been so described as required.

12. The Company is not, and will not become as a result of the consummation of the transactions contemplated by the Transaction Agreements, an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations thereunder (the “*Investment Company Act*”).

13. No person has the right (which right has not been waived or complied with) pursuant to the terms of any Company Contract to cause the Company to register under the Securities Act any Securities or shares of any other capital stock or other equity interest of the Company, or to include any such shares or interest in the Registration Statement or the offering contemplated thereby.

In connection with the preparation of the Registration Statement (including, for the avoidance of doubt, the Pre-Pricing Prospectus and the Prospectus), we have participated in conferences with officers and other representatives of the Company, including representatives of the independent public accountants of the Company, and representatives of the Underwriters, including their counsel, at which conferences the contents of the Registration Statement were discussed (except that the Underwriters and their counsel did not participate in any such conferences at the time of the preparation and filing of the 2011 Registration Statement). Although we have not independently verified, are not passing upon and do not assume responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement (including, for the avoidance of doubt, the Pre-Pricing Prospectus and the

Prospectus) or any amendments or supplements thereto (except to the limited extent set forth in paragraphs 9 and 10 above), on the basis of the foregoing, nothing has come to our attention that causes us to believe that (i) as of the Effective Time, the Registration Statement contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) as of the Applicable Time, the Disclosure Package contained an untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, or (iii) as of its date or as of the date hereof, the Prospectus contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, provided, however, that we express no view as to (a) any financial statements, schedules and notes and other financial and statistical information derived therefrom and included in any of the foregoing, or (b) the representations and warranties contained in any exhibit to the Registration Statement, or in any document incorporated by reference into the Disclosure Package or the Prospectus Supplement.

Our opinions in clause (ii) of the second sentence of paragraph 4 above, and in the second sentence of paragraph 5 above, are subject to the following:

(a) Such opinions are subject to general principles of equity (regardless of whether considered in a proceeding in equity or at law) and to the effect of any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws. In addition, the availability of specific performance, injunctive relief, the appointment of a receiver and other equitable remedies is subject to the discretion of the tribunal before which any proceeding therefor may be brought.

(b) Notwithstanding any language of the Deposit Agreement to the contrary, indemnification of any party thereunder may be limited to recovery of only reasonable expenses, including, without limitation, reasonable attorneys' fees and legal expenses. Such opinions, insofar as they relate to the enforceability of indemnification provisions set forth in the Deposit Agreement, are subject to laws and judicial decisions rendering unenforceable indemnification contrary to federal and state securities laws and the public policies underlying such laws, and laws limiting the enforceability of provisions exculpating or exempting a party, or requiring indemnification of a party for, liability for its own action or inaction, to the extent the action involves negligence, recklessness, willful misconduct or unlawful conduct.

(c) We express no opinion as to the enforceability of provisions of the Deposit Agreement to the extent they contain:

- a. waivers by the Company of any statutory or constitutional rights or remedies;
- b. grants by the Company of powers of attorney;
- c. cumulative remedies strictly to the extent such cumulative remedies purport to compensate, or would have the effect of compensating, the party entitled to the benefits thereof in an amount in excess of the actual loss suffered by such party; or

- d. terms to the effect that provisions in the Deposit Agreement may not be waived or modified except in writing, which may not be enforceable under certain circumstances.

(d) We express no opinion as to whether courts other than state or federal courts in the State of New York would give effect to the choice of New York law governing the Deposit Agreement.

(e) Insofar as such opinions relate to the provisions of the Deposit Agreement regarding jurisdiction, service of process and venue (and the defense of an inconvenient forum), such opinions are limited to jurisdiction and service of process in respect of any action arising out of or based upon the Deposit Agreement brought, or sought to be brought, in any New York State or U.S. federal court in The City of New York. We express no opinion as to the subject matter jurisdiction of any federal court of the United States of America over any action between two parties neither of which is a “citizen” of any State for the purposes of 28 U.S.C. § 1332.

Wherever above we have rendered an opinion regarding a document, the opinion is limited to that document and does not encompass, cover or pertain to, or take into account the potential effect on the opinion rendered above of, any agreement attached as a schedule or an exhibit to that document, referred to in that document or executed contemporaneously with that document, except for any such other agreement or exhibit that is expressly referred to in the relevant opening language.

Notwithstanding anything in this opinion letter to the contrary, the opinions set forth above are given only as of the date hereof. Without limiting the generality of the foregoing, any opinion rendered above that refers to the performance of obligations under any Transaction Agreement assumes that there have been no changes in facts or law since the date hereof at the time of such performance. We disclaim any obligation to update any of the opinions rendered herein and express no opinion as to the effect of events occurring, circumstances arising, or changes of law that become effective or occur, after the date hereof on the matters addressed in this opinion letter, and we assume no responsibility to inform you of additional or changed facts, or changes in law, of which we may become aware.

The opinions set forth above are expressly limited to the matters stated. No opinion is implied or may be inferred beyond what is explicitly stated in this letter. This letter is rendered solely for your benefit in connection with the transactions contemplated by the Transaction Agreements and may not be relied upon by any other person or entity. Copies of this letter may not be circulated or furnished to any other person or entity and this letter may not be referred to in any report or document furnished to any other person or entity, without our prior written consent.

U.S. Treasury Circular 230 Notice

This opinion was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding United States federal tax-related penalties or (ii) promoting, marketing or recommending to another party any tax-related matter addressed herein. Each taxpayer should seek advice based on its particular circumstances from an independent tax advisor.

Very truly yours,

ARNOLD & PORTER LLP

By: _____
Teresa L. Johnson

Exhibit A

Company Contracts Listed as Exhibits to the Company's Form 10-K for the Year Ended December 31, 2011:

- 10.1 Voting Agreement, dated as of March 18, 2011, by and among the Company, G-Bar Limited Partnership, JG 2002 delta Trust and optionsXpress Holdings, Inc., filed as Exhibit 10.1 to the Company's Form 8-K dated March 18, 2011.
- 10.4 Form of Release Agreement dated as of March 31, 1987 among BAC, the Company, Schwab Holdings, Inc., Charles Schwab & Co., Inc. and former shareholders of Schwab Holdings, Inc., filed as the identically-numbered exhibit to the Company's Registration Statement No. 33-16192 on Form S-1.
- 10.57 Registration Rights and Stock Restriction Agreement, dated as of March 31, 1987, between the Company and the holders of the Common Stock, filed as Exhibit 4.23 to the Company's Registration Statement No. 33-16192 on Form S-1.
- 10.72 Restatement of Assignment and License, as amended January 25, 1988, among Charles Schwab & Co., Inc., Charles R. Schwab and the Company, filed as Exhibit 10.72 to the Company's Form 10-K for the year ended December 31, 2009.
- 10.271 The Charles Schwab Corporation Directors' Deferred Compensation Plan, as amended through December 8, 2004, filed as Exhibit 10.271 to the Company's Form 10-K for the year ended December 31, 2009.
- 10.272 The Charles Schwab Corporation Deferred Compensation Plan, as amended through December 8, 2004, filed as Exhibit 10.272 to the Company's Form 10-K for the year ended December 31, 2009.
- 10.288 Stock Purchase Agreement by and between the Company and Bank of America Corporation, dated as of November 19, 2006.
- 10.289 Form of Notice and Restricted Stock Agreement for Walter W. Bettinger under The Charles Schwab Corporation 2004 Stock Incentive Plan dated February 20, 2007, filed as Exhibit 10.289 to the Company's Form 10-Q for the quarter ended March 31, 2007.
- 10.290 Summary of Non-Employee Director Compensation, filed as Exhibit 10.290 to the Company's Form 10-Q for the quarter ended March 31, 2007.
- 10.294 Form of Notice and Restricted Stock Agreement for Joseph R. Martinetto under The Charles Schwab Corporation 2004 Stock Incentive Plan dated May 18, 2007, filed as Exhibit 10.294 to the Company's Form 10-Q for the quarter ended June 30, 2007.

- 10.295 Form of Notice and Nonqualified Stock Option Agreement for Joseph R. Martinetto under The Charles Schwab Corporation 2004 Stock Incentive Plan dated May 18, 2007, filed as Exhibit 10.295 to the Company's Form 10-Q for the quarter ended June 30, 2007.
- 10.296 Stock Purchase Agreement dated July 2, 2007 by and among Charles R. Schwab, Helen O. Schwab, The Charles & Helen Schwab Living Trust, HOS Family Partners, LLC, 188 Partners, LP, and the Charles & Helen Schwab Foundation, and The Charles Schwab Corporation, filed as Exhibit 10.296 to the Company's Form 10-Q for the quarter ended June 30, 2007.
- 10.298 Directed Employee Benefit Trust Agreement under the SchwabPlan Retirement Savings and Investment Plan dated August 17, 2007, filed as Exhibit 10.298 to the Company's Form 10-Q for the quarter ended September 30, 2007.
- 10.300 The Charles Schwab Corporation Employee Stock Incentive Plan, as amended and restated as of December 12, 2007, filed as Exhibit 10.300 to the Company's Form 10-K for the year ended December 31, 2007.
- 10.301 The Charles Schwab Corporation 1992 Stock Incentive Plan, as amended and restated as of December 12, 2007, filed as Exhibit 10.301 to the Company's Form 10-K for the year ended December 31, 2007.
- 10.302 The Charles Schwab Corporation 2001 Stock Incentive Plan, as amended and restated as of December 12, 2007, filed as Exhibit 10.302 to the Company's Form 10-K for the year ended December 31, 2007.
- 10.307 Form of Notice and Restricted Stock Agreement under The Charles Schwab Corporation 2004 Stock Incentive Plan, filed as Exhibit 10.307 to the Company's Form 10-K for the year ended December 31, 2007.
- 10.309 Form of Notice and Premium-Priced Stock Option Agreement under The Charles Schwab Corporation 2004 Stock Incentive Plan, filed as Exhibit 10.309 to the Company's Form 10-K for the year ended December 31, 2007.
- 10.311 Form of Notice and Restricted Stock Agreement for Non-Employee Directors under The Charles Schwab Corporation 2004 Stock Incentive Plan, filed as Exhibit 10.311 to the Company's Form 10-K for the year ended December 31, 2007.
- 10.314 Employment Agreement dated as of March 13, 2008 between the Company and Charles R. Schwab, filed as Exhibit 10.314 to the Company's Form 10-Q for the quarter ended March 31, 2008.

- 10.316 Form of Notice and Restricted Stock Agreement for Walter W. Bettinger under the Charles Schwab Corporation 2004 Stock Incentive Plan dated October 1, 2008, filed as Exhibit 10.316 to the Company's Form 10-Q for the quarter ended September 30, 2008.
- 10.317 Form of Notice and Nonqualified Stock Option Agreement for Walter W. Bettinger under The Charles Schwab Corporation 2004 Stock Incentive Plan dated October 1, 2008, filed as Exhibit 10.317 to the Company's Form 10-Q for the quarter ended September 30, 2008.
- 10.318 Form of Notice and Performance-Based Restricted Stock Agreement under the Charles Schwab Corporation 2004 Stock Incentive Plan, filed as Exhibit 10.318 to the Company's Form 10-K for the year ended December 31, 2008.
- 10.321 The Charles Schwab Corporation Long Term Incentive Plan, as amended and restated as of October 23, 2008, filed as Exhibit 10.321 to the Company's Form 10-K for the year ended December 31, 2008.
- 10.322 The Charles Schwab Corporation Deferred Compensation Plan II, as amended and restated as of October 23, 2008, filed as Exhibit 10.322 to the Company's Form 10-K for the year ended December 31, 2008.
- 10.323 The Charles Schwab Corporation Directors' Deferred Compensation Plan II, as amended and restated as of October 23, 2008, filed as Exhibit 10.323 to the Company's Form 10-K for the year ended December 31, 2008.
- 10.331 The Charles Schwab Corporation Corporate Executive Bonus Plan, restated to include amendments approved at the Annual Meeting of Stockholders on May 13, 2010, filed as Exhibit 10.331 to the Company's Form 10-Q for the quarter ended June 30, 2010.
- 10.338 The Charles Schwab Corporation 2004 Stock Incentive Plan, as approved at the Annual Meeting of Stockholders on May 17, 2011, filed as Exhibit 10.338 to the Company's Form 10-Q for the quarter ended June 30, 2011.
- 10.339 Credit Agreement (364-Day Commitment) dated as of June 10, 2011, between the Company and financial institutions listed therein, filed as Exhibit 10.339 to the Company's Form 10-Q for the quarter ended June 30, 2011.
- 10.340 The Charles Schwab Severance Pay Plan, as Amended and Restated Effective January 1, 2012, filed as Exhibit 10.340 to the Company's Form 10-K for the year ended December 31, 2011.
- 10.341 Form of Notice and Restricted Stock Unit Agreement for Non-Employee Directors under The Charles Schwab Corporation 2004 Stock Incentive Plan, filed as Exhibit 10.341 to the Company's Form 10-K for the year ended December 31, 2011.
- 10.342 Form of Notice and Retainer Stock Option Agreement for Non-Employee Directors under The Charles Schwab Corporation 2004 Stock Incentive Plan, filed as Exhibit 10.342 to the Company's Form 10-K for the year ended December 31, 2011.

- 10.343 Form of Notice and Performance-Based Restricted Stock Unit Agreement under The Charles Schwab Corporation 2004 Stock Incentive Plan, filed as Exhibit 10.343 to the Company's Form 10-K for the year ended December 31, 2011.
- 10.344 Form of Notice and Retainer Restricted Stock Unit Agreement for Non-Employee Directors under The Charles Schwab Corporation 2004 Stock Incentive Plan, filed as Exhibit 10.344 to the Company's Form 10-K for the year ended December 31, 2011.
- 10.345 Form of Notice and Nonqualified Stock Option Agreement under The Charles Schwab Corporation 2004 Stock Incentive Plan, filed as Exhibit 10.345 to the Company's Form 10-K for the year ended December 31, 2011.
- 10.346 Form of Notice and Restricted Stock Unit Agreement under The Charles Schwab Corporation 2004 Stock Incentive Plan, filed as Exhibit 10.346 to the Company's Form 10-K for the year ended December 31, 2011.
- 10.347 Form of Notice and Stock Option Agreement for Non-Employee Directors under The Charles Schwab Corporation Directors' Deferred Compensation Plan II, filed as Exhibit 10.347 to the Company's Form 10-K for the year ended December 31, 2011.

Company Contract Listed as Exhibit to the Company's Form 8-K filed on March 13, 2012:

- 10.348 Separation Agreement, General Release and Waiver of Claims by and between Mr. Benjamin Brigeman and the Company.

Other Company Contracts:

Senior Indenture dated as of July 15, 1993 by and between the Company and The Bank of New York Trust Company, N.A., as Trustee.

First Supplemental Indenture dated as of June 29, 1999 by and between the Company and The Bank of New York Trust Company, N.A., as Trustee.

Guarantee Agreement dated as of October 5, 2007 by and between the Company and The Bank of New York Trust Company, N.A., as Guarantee Trustee.

Second Amended and Restated Trust Agreement dated as of October 5, 2007 by and among the Company, The Bank of New York Trust Company, N.A., as Property Trustee, The Bank of New York (Delaware), as Delaware Trustee, and the Administrative Trustees named therein.

Junior Subordinated Indenture dated as of October 5, 2007 by and between the Company and The Bank of New York Trust Company, N.A., as Trustee.

First Supplemental Indenture dated as of October 5, 2007 by and between the Company and The Bank of New York Trust Company, N.A., as Trustee.

Senior Indenture dated as of June 5, 2009 by and between the Company and The Bank of New York Mellon Trust Company, N.A.

First Supplemental Indenture dated as of June 5, 2009 by and between the Company and The Bank of New York Mellon Trust Company, N.A.

Second Supplemental Indenture dated as of July 22, 2010 by and between the Company and The Bank of New York Mellon Trust Company, N.A.

EXHIBIT B

FORM OF OPINION OF
OFFICE OF CORPORATE COUNSEL OF THE COMPANY

June [6], 2012

Citigroup Global Markets Inc.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated

UBS Securities LLC
Wells Fargo Securities, LLC
as Representatives of the several
Underwriters named in Schedule A
of the Underwriting Agreement

c/o Citigroup Global Markets Inc.
390 Greenwich Street
New York, New York 10013

c/o Merrill Lynch, Pierce, Fenner & Smith
Incorporated
One Bryant Park
New York, New York 10036

c/o UBS Securities LLC
677 Washington Boulevard
Stamford, CT 06901

c/o Wells Fargo Securities, LLC
301 South College Street
Charlotte, North Carolina 28202

Re: **Underwritten Public Offering of [] Depository Shares, Each Representing a 1/40th Interest in a Share of []% Non-Cumulative Perpetual Preferred Stock, Series B of The Charles Schwab Corporation**

Ladies and Gentlemen:

I am Vice President and Associate General Counsel of The Charles Schwab Corporation, a Delaware corporation (the "Company").

This opinion is rendered to you at the request of the Company pursuant to Section 6(b) of the Underwriting Agreement dated May 30, 2012 (the "Agreement"), by and among you and the Company regarding the purchase by you of [] depository shares (the "Depository Shares"), each representing a 1/40th interest in a share of the []% Non-Cumulative Perpetual Preferred

Stock, Series B of The Charles Schwab Corporation. Capitalized terms used, but not defined herein, have the same meanings given them in the Agreement.

I have examined the Company's Registration Statement on Form S-3 (File No. 333-178525) (the "Registration Statement"), the Prospectus Supplement, the Disclosure Package, the Company's annual report on Form 10-K for the fiscal year ended December 31, 2011, the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2012, and the Company's current reports on Form 8-K filed on January 26, 2012, February 2, 2012, March 13, 2012 and May 22, 2012.

In addition, I have examined the certificates of incorporation and bylaws of the Company, Charles Schwab & Co., Inc. ("Schwab"), Schwab Holdings, Inc. ("Schwab Holdings"), Charles Schwab Investment Management, Inc. ("CSIM"), and Charles Schwab Bank ("Schwab Bank"), and such corporate records, certificates and other documents (of which I am aware) and such questions of law as I have considered necessary or appropriate for the purposes of rendering the opinions that follow.

In giving the opinions that follow I have relied as to matters of fact without investigation, to the extent I deemed proper, upon certificates from officers of the Company and certain of its affiliates, and certificates, telegrams, facsimiles, and other documents from, and oral conversations with, public officials. I have assumed without investigation the authenticity of each document submitted to me as an original, the conformity to the originals of each document submitted to me as a copy, the authenticity of the originals of such latter documents, the genuineness of all signatures, and the legal capacity of all natural persons.

Based on and subject to the foregoing, it is my opinion that:

1. Schwab Bank is a federal savings bank under the supervision of the Office of the Comptroller of the Currency.
2. Each of Schwab, Schwab Holdings, Schwab Bank and CSIM is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualifications, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole.
3. To my knowledge after due inquiry, there are no legal or governmental proceedings pending or threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject that are required to be described in the Registration Statement, the Pre-Pricing Prospectus or the Final Prospectus, and are not so described.

This opinion is dated as of June 6, 2012 ("Opinion Date"). The opinions expressed herein are given as of the Opinion Date only, and are not given as of any later date. I have not undertaken any factual or legal investigation beyond the Opinion Date, and I disclaim any obligation to notify you or any other person after the Opinion Date if any change in fact and/or law should change my opinion with respect to any matters set forth herein.

I am a member of the bar of the State of California. I express no opinion as to any laws of any other jurisdiction other than the federal laws of the United States to the extent applicable to the scope of the opinions expressed above. Further, I express no opinion regarding choice of law or conflicts of laws.

This opinion is rendered to you as Underwriters under the Agreement and may not be relied upon for any other purpose or by any other person without my express written consent.

Very truly yours,

R. Scott McMillen
Vice President and Associate General Counsel

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EXHIBIT C

OFFICER'S CERTIFICATE

I, Joseph R. Martinetto, Executive Vice President and Chief Financial Officer of The Charles Schwab Corporation, a Delaware corporation (the "Company"), on behalf of the Company, do hereby certify pursuant to Section 6(h) of that certain Underwriting Agreement dated May 30, 2012 (the "Underwriting Agreement") among the Company and, on behalf of the several Underwriters named therein, Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, UBS Securities LLC and Wells Fargo Securities, LLC, that as of June 6, 2012:

1. The representations and warranties of the Company as set forth in the Underwriting Agreement are true and correct as of the date hereof and as if made on the date hereof.
2. The Company has performed all of its obligations under the Underwriting Agreement as are to be performed at or before the date hereof.
3. Subsequent to the date of the most recent financial statements contained, or incorporated by reference, in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus (exclusive of any supplement thereto), there has not occurred any material adverse change to the condition (financial or other), business, properties, results of operations of the Company and its subsidiaries, taken as a whole.

Capitalized terms used herein without definition shall have the respective meanings ascribed to them in the Underwriting Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand on this June 6, 2012.

Name: Joseph R. Martinetto
Title: Executive Vice President and Chief
Financial Officer

CERTIFICATE OF DESIGNATIONS
OF
6.00% NON-CUMULATIVE PERPETUAL
PREFERRED STOCK, SERIES B
OF
THE CHARLES SCHWAB CORPORATION

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

THE CHARLES SCHWAB CORPORATION, a Delaware corporation (the “Corporation”), HEREBY CERTIFIES that the following resolution was duly adopted by a duly authorized committee (the “Pricing Committee”) of the board of directors of the Corporation (the “Board of Directors”) in accordance with Section 151(g) of the General Corporation Law of the State of Delaware pursuant to the authority conferred upon the Board of Directors by the provisions of the Fifth Restated Certificate of Incorporation of the Corporation (as such may be amended, modified or restated from time to time, the “Certificate of Incorporation”), and pursuant to the authority conferred upon the Pricing Committee by the duly adopted resolutions of the Board of Directors and the bylaws of the Corporation (as such may be amended, modified or restated from time to time, the “Bylaws”):

RESOLVED, that pursuant to Article Fourth of the Certificate of Incorporation (which authorizes 9,940,000 shares of preferred stock, par value \$0.01 per share (the “Preferred Stock”)), the Pricing Committee hereby fixes the voting rights, powers, preferences and privileges, and the relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, of the series of Preferred Stock provided for below.

RESOLVED, that each share of such series of Preferred Stock shall rank equally in all respects and shall be subject to the following provisions:

1. Designation and Number. The series of Preferred Stock shall be designated as the “6.00% Non-Cumulative Perpetual Preferred Stock, Series B” (the “Series B Preferred Stock”) and the number of shares so designated shall be 488,750. Such number may from time to time be increased (but not in excess of the total number of authorized shares of Preferred Stock) or decreased (but not below the number of shares of Series B Preferred Stock then outstanding) by the Board of Directors. Shares of Series B Preferred Stock that are redeemed, purchased or otherwise acquired by the Corporation shall be cancelled and shall revert to authorized but unissued shares of Preferred Stock undesignated as to series. The Corporation may in the future from time to time, without notice to or consent of the holders of the Series B Preferred Stock,

issue additional shares of the Series B Preferred Stock; *provided*, that any such additional shares are not treated as “disqualified preferred stock” within the meaning of Section 1059(f)(2) of the Internal Revenue Code and such additional shares are otherwise treated as fungible with the Series B Preferred Stock for U.S. federal income tax purposes. In the event that the Corporation issues additional Series B Preferred Stock after the original issue date, dividends on such additional shares may accrue from the original issue date or any other date the Corporation specifies at the time such additional shares are issued. Each share of Series B Preferred Stock shall have a liquidation preference of \$1,000 per share (the “Liquidation Preference”).

2. Definitions.

As used herein with respect to the Series B Preferred Stock, the following terms shall have the following meaning:

“*Authorized Committee*” shall have the meaning set forth in Section 3(a).

“*Board of Directors*” shall have the meaning set forth in the preamble.

“*Business Day*” means any day other than (i) a Saturday or Sunday or (ii) a day on which banking institutions in San Francisco, California or New York, New York are authorized or obligated by law or executive order to close.

“*Bylaws*” shall have the meaning set forth in the preamble.

“*Certificate of Incorporation*” shall have the meaning set forth in the preamble.

“*Corporation*” shall have the meaning set forth in the preamble.

“*Dividend Payment Date*” shall have the meaning set forth in Section 3(b).

“*Dividend Period*” means the period from, and including, a Dividend Payment Date to, but excluding, the next Dividend Payment Date, except that the initial Dividend Period shall commence on, and include, the original issue date of the Series B Preferred Stock.

“*DTC*” means The Depository Trust Company.

“*Federal Reserve*” means the Board of Governors of the Federal Reserve System.

“*Junior Stock*” means the Corporation’s common stock and any other class or series of stock of the Corporation hereafter authorized over which the Series B Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

“*Liquidation Distribution*” shall have the meaning set forth in Section 4(a).

“*Liquidation Preference*” shall have the meaning set forth in Section 1.

“*Parity Stock*” means any other class or series of stock of the Corporation that ranks on parity with the Series B Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

“*Pricing Committee*” shall have the meaning set forth in the preamble.

“*Redemption Price*” shall have the meaning set forth in Section 6(b).

“*Regulatory Capital Treatment Event*” means the good faith determination by the Corporation that, as a result of:

(i) any amendment to, or change in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series B Preferred Stock;

(ii) any proposed change in those laws or regulations that is announced after the initial issuance of any share of Series B Preferred Stock; or

(iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced after the initial issuance of any share of Series B Preferred Stock,

there is more than an insubstantial risk that the Corporation will not be entitled to treat the full Liquidation Preference of the shares of Series B Preferred Stock then outstanding as “Tier 1 Capital” (or its equivalent) for purposes of the capital adequacy guidelines or regulations of the Federal Reserve (or any successor bank regulatory authority that may become the Corporation’s applicable federal banking agency), as then in effect and applicable, for as long as any share of Series B Preferred Stock is outstanding.

“*Senior Stock*” means any other class or series of stock of the Corporation ranking senior to the Series B Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of the Corporation.

“*Series B Preferred Stock*” shall have the meaning set forth in Section 1.

“*Voting Parity Securities*” shall have the meaning set forth in Section 5(b).

3. Dividends.

(a) Holders of Series B Preferred Stock shall be entitled to receive, when, as, and if declared by the Board of Directors or a duly authorized committee of the Board of Directors (an “Authorized Committee”), out of assets legally available for the payment of dividends under Delaware law, non-cumulative cash dividends based on the Liquidation Preference of the Series B Preferred Stock at a rate equal to 6.00% per annum for each quarterly Dividend Period from the date of initial issuance and continuing indefinitely thereafter or until such Series B Preferred Stock is redeemed or repurchased.

(b) If declared by the Board of Directors or an Authorized Committee, dividends shall be payable, in arrears, on the Series B Preferred Stock quarterly on March 1, June 1, September 1 and December 1 of each year, beginning on September 1, 2012 (each, a “Dividend Payment Date”).

If any date on which dividends would otherwise be payable is not a Business Day, then the Dividend Payment Date shall be the next Business Day without any adjustment to the amount of dividends paid.

(c) Dividends shall be payable to holders of record of Series B Preferred Stock as they appear on the Corporation’s stock register at 5:00 p.m., New York City time, on the applicable record date, which shall be the 15th calendar day before the applicable Dividend Payment Date, or such other record date, not exceeding 30 days before the applicable Dividend Payment Date, as shall be fixed by the Board of Directors or an Authorized Committee.

(d) Dividends payable on the Series B Preferred Stock shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Dollar amounts resulting from that calculation shall be rounded to the nearest cent, with one-half cent being rounded upwards. Dividends on the Series B Preferred Stock shall cease to accrue on the redemption date, if any, as described in Section 6, unless the Corporation defaults in the payment of the Redemption Price of the shares of the Series B Preferred Stock called for redemption.

(e) Dividends on the Series B Preferred Stock shall not be cumulative. If the Board of Directors or an Authorized Committee does not declare a dividend on the Series B Preferred Stock in respect of a Dividend Period, then no dividend shall be deemed to have accrued for such Dividend Period, be payable on the applicable Dividend Payment Date, or be cumulative, and the Corporation shall have no obligation to pay any dividend for that Dividend Period, whether or not the Board of Directors or an Authorized Committee declares a dividend on the Series B Preferred Stock for any future Dividend Period.

(f) During each Dividend Period while the Series B Preferred Stock is outstanding, unless the full dividends for the immediately preceding Dividend Period on all outstanding shares of Series B Preferred Stock have been declared and paid or declared and a sum sufficient for the payment thereof has been set aside:

(i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any Junior Stock, other than (1) a dividend payable solely in such Junior Stock or (2) any dividend in connection with the implementation of a stockholders’ rights plan, or the redemption or repurchase of any rights under any such plan; and

(ii) no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation) other than:

(1) as a result of a reclassification of Junior Stock for or into other Junior Stock;

- (2) the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock;
- (3) through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock;
- (4) purchases, redemptions or other acquisitions of shares of Junior Stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants;
- (5) purchases of shares of Junior Stock pursuant to a contractually binding requirement to buy Junior Stock existing prior to the preceding Dividend Period, including under a contractually binding stock repurchase plan; or
- (6) the purchase of fractional interests in shares of Junior Stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged.

(iii) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series B Preferred Stock and such Parity Stock, unless such Parity Stock is repurchased, redeemed or acquired for consideration by the Corporation in connection with any of the following:

- (1) as a result of a reclassification of Parity Stock for or into other Parity Stock or Junior Stock;
 - (2) the exchange or conversion of one share of Parity Stock for or into another share of Parity Stock or Junior Stock;
- or
- (3) through the use of the proceeds of a substantially contemporaneous sale of other shares of Parity Stock or Junior Stock.

(g) When dividends are not paid in full upon the shares of Series B Preferred Stock and any Parity Stock, all dividends declared upon shares of Series B Preferred Stock and any such Parity Stock shall be declared on a proportional basis so that the amount of dividends declared per share shall bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share on Series B Preferred Stock, and accrued dividends, including any accumulations, on any such Parity Stock, bear to each other.

(h) Dividends on the Series B Preferred Stock will be subject to the Corporation's receipt of required prior approval by the Federal Reserve (or any successor bank regulatory authority that may become the Corporation's applicable federal banking agency), if any, and to the satisfaction of conditions set forth in the capital adequacy guidelines or regulations of the Federal Reserve (or any successor bank regulatory authority that may become the Corporation's applicable federal banking agency) applicable to dividends on the Series B Preferred Stock, if any.

(i) Subject to the foregoing restrictions, dividends (payable in cash, stock or otherwise), as may be determined by the Board of Directors or an Authorized Committee, may be declared and paid on the Corporation's common stock and any other stock ranking equally with or junior to the Series B Preferred Stock from time to time out of any assets legally available for such payment, and the holders of Series B Preferred Stock shall not be entitled to participate in any such dividend.

4. Liquidation Rights.

(a) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of Series B Preferred Stock shall be entitled to receive a liquidation distribution of \$1,000 per share, plus any declared and unpaid dividends, without accumulation of any undeclared dividends (the "Liquidation Distribution"), before the Corporation makes any distribution of assets to the holders of the Corporation's common stock or any other class or series of stock ranking junior to the Series B Preferred Stock as to such distribution. The holders of Series B Preferred Stock shall not be entitled to any other amounts from the Corporation after they have received their Liquidation Distribution in full.

(b) In any such distribution, if the assets of the Corporation are not sufficient to pay the Liquidation Distribution in full to all holders of Series B Preferred Stock and all holders of any class or series of stock ranking on parity with the Series B Preferred Stock as to such distribution, the amounts paid to the holders of Series B Preferred Stock and all holders of such parity stock shall be paid *pro rata* in accordance with the respective aggregate Liquidation Distribution owed to those holders. If the Liquidation Distribution has been paid in full to all holders of Series B Preferred Stock and such parity stock, the holders of any other class or series of stock ranking junior to the Series B Preferred Stock as to such distribution shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

For purposes of this Section 4, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

5. Voting Rights.

(a) The holders of Series B Preferred Stock shall have no voting rights, except as provided herein or as required by law.

(b) Whenever dividends payable on the shares of Series B Preferred Stock have not been paid for six quarterly Dividend Periods, whether or not consecutive, then the holders of Series B Preferred Stock shall have the right, with holders of any other equally ranked series of preferred stock that have similar voting rights and on which dividends likewise have not been paid (the "Voting Parity Securities"), voting together as a class, at a special meeting called at the request of the holders of at least 20% of the voting power of the Series B Preferred Stock and

any Voting Parity Securities (unless such request for a special meeting is received less than 90 calendar days before the date fixed for the next annual or special meeting of the Corporation's stockholders, in which event such election shall be held only at such next annual or special meeting of the Corporation's stockholders) or at the Corporation's next annual or special meeting of the Corporation's stockholders, to elect two additional directors to the Board of Directors; provided, that the election of any such director does not cause the Corporation to violate the applicable corporate governance requirements of the exchange or trading market where the Corporation's common stock is then listed or quoted, as the case may be. At any meeting held for the purpose of electing such directors, the presence in person or by proxy of the holders of shares representing at least a majority of the voting power of the Series B Preferred Stock and any Voting Parity Securities, voting together as a class, shall be required to constitute a quorum of such shares. The affirmative vote of the holders of the Series B Preferred Stock and the holders of any Voting Parity Securities, voting together as a class, representing a majority of the voting power of such shares present at such meeting, in person or by proxy, shall be sufficient to elect any such director.

(c) Immediately prior to the election of any such directors, the number of directors that comprise the Board of Directors shall be increased by two. Such voting rights and the term of the additional directors so elected shall continue until:

- (i) continuous non-cumulative dividends for at least four consecutive quarterly dividend periods; and
- (ii) cumulative dividends, if any, payable for all past dividend periods,

shall have been paid, or declared and set aside for payment, in full, on all outstanding shares of the Series B Preferred Stock or the Voting Parity Securities entitled thereto. At that point, the right to elect additional directors shall terminate and the terms of office of the two additional directors so elected shall terminate immediately, and the number of directors shall be reduced by two and such voting rights of the holders of the Series B Preferred Stock and any Voting Parity Securities shall cease, subject to any increase in the number of directors as described above due to the re-vesting of such voting rights in the event of each and every additional failure in the payment of dividends for six quarterly Dividend Periods, whether or not consecutive, as described above.

(d) Holders of Series B Preferred Stock, together with holders of any Voting Parity Securities, voting together as a class, may remove any director they elected. Any vacancy created by the removal of any such director may be filled only by the vote of the holders of the Series B Preferred Stock and any Voting Parity Securities, voting together as a class. If the office of either such director becomes vacant for any reason other than removal, the remaining director may choose a successor who will hold office for the unexpired term of the vacant office. In the event that both offices are vacant, the holders of Series B Preferred Stock and any Voting Parity Securities may, as set forth in Section 5(b), call a special meeting and elect such directors at such special meeting, or elect such directors at the Corporation's next annual or special meeting of the Corporation's stockholders.

(e) The number of votes that each share of Series B Preferred Stock and any stock ranking equally with the Series B Preferred Stock participating in the votes described above shall be in proportion to the Liquidation Preference of such share.

(f) So long as any shares of Series B Preferred Stock remain outstanding, the affirmative vote or consent of the holders of at least two-thirds of all outstanding shares of the Series B Preferred Stock voting separately as a class, shall be required to:

(i) amend, alter or repeal the provisions of the Certificate of Incorporation (including this Certificate of Designations), or the Bylaws, whether by merger, consolidation or otherwise, so as to adversely affect the powers, preferences, privileges or special rights of the Series B Preferred Stock; *provided*, that any of the following will not be deemed to adversely affect such powers, preferences, privileges or special rights:

(1) increases in the amount of the authorized common stock or, except as provided in Section 5(f)(ii), preferred stock;

(2) increases or decreases in the number of shares of any series of preferred stock ranking equally with or junior to the Series B Preferred Stock; or

(3) the authorization, creation and issuance of other classes or series of capital stock (or securities convertible or exchangeable into such capital stock) ranking equally with or junior to the Series B Preferred Stock;

(ii) amend or alter the Certificate of Incorporation to authorize or increase the authorized amount of or issue shares of any class or series of Senior Stock, or reclassify any of the Corporation's authorized capital stock into any such shares of Senior Stock or issue any obligation or security convertible into or evidencing the right to purchase any such shares of Senior Stock; or

(iii) consummate a binding share exchange, a reclassification involving the Series B Preferred Stock or a merger or consolidation of the Corporation with or into another entity; *provided*, however, that the holders of Series B Preferred Stock shall have no right to vote under this provision or otherwise under Delaware law if in each case:

(1) the Series B Preferred Stock remains outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, is converted into or exchanged for preferred securities of the surviving or resulting entity (or its ultimate parent) that is an entity organized and existing under the laws of the United States, any state thereof or the District of Columbia; and

(2) the Series B Preferred Stock remaining outstanding or the new preferred securities, as the case may be, have such powers, preferences and special rights as are not materially less favorable to the holders thereof than the powers, preferences and special rights of the Series B Preferred Stock.

The foregoing voting provisions shall not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of the Series B Preferred Stock shall have been redeemed or called for redemption in accordance with Section 6 upon proper notice and sufficient funds shall have been set aside by the Corporation for the benefit of the holders of the Series B Preferred Stock to effect such redemption.

6. Redemption.

(a) *No Mandatory Redemption.* The Series B Preferred Stock is not subject to any mandatory redemption, sinking fund or other similar provisions. The holders of Series B Preferred Stock have no right to require the redemption or repurchase of the Series B Preferred Stock.

(b) *Optional Redemption.* The Corporation may redeem the Series B Preferred Stock at the Corporation's option, in whole or in part, from time to time, on any Dividend Payment Date on or after September 1, 2017, at a redemption price equal to \$1,000 per share, plus any declared and unpaid dividends, without accumulation of any undeclared dividends (the "Redemption Price").

(c) *Redemption Following a Regulatory Capital Treatment Event.* The Corporation may redeem shares of the Series B Preferred Stock at any time within 90 days following a Regulatory Capital Treatment Event, in whole but not in part, at the Redemption Price.

(d) *Redemption Procedures.*

(i) If shares of the Series B Preferred Stock are to be redeemed, the notice of redemption shall be given by first class mail to the holders of record of the Series B Preferred Stock to be redeemed, mailed not less than 30 days nor more than 60 days prior to the date fixed for redemption thereof (provided that, if the holder of record is DTC, notice may be given in any manner permitted by DTC). Each notice of redemption shall include a statement setting forth:

- (1) the redemption date;
- (2) the number of shares of the Series B Preferred Stock to be redeemed and, if less than all the shares held by the holder are to be redeemed, the number of shares of Series B Preferred Stock to be redeemed from the holder;
- (3) the Redemption Price;
- (4) the place or places where the certificates evidencing shares of Series B Preferred Stock are to be surrendered for payment of the Redemption Price; and
- (5) that dividends on the shares to be redeemed shall cease to accrue on the redemption date.

If notice of redemption of any shares of Series B Preferred Stock has been duly given and if the funds necessary for such redemption have been set aside by the Corporation for the benefit of the holders of any shares of Series B Preferred Stock so called for redemption, then, on and after the redemption date, dividends shall cease to accrue on such shares of Series B Preferred Stock, such shares of Series B Preferred Stock shall no longer be deemed outstanding and all rights of the holders of such shares shall terminate, except the right to receive the Redemption Price.

(e) *Partial Redemption.* In case of any redemption of only part of the shares of the Series B Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata*, by lot or in such other manner as the Corporation may determine to be equitable. Subject to the provisions hereof, the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series B Preferred Stock shall be redeemed from time to time.

(f) *Regulatory Approval.* Any redemption of the Series B Preferred Stock is subject to the Corporation's receipt of required prior approval by the Federal Reserve (or any successor bank regulatory authority that may become the Corporation's applicable federal banking agency), if any, and to the satisfaction of conditions set forth in the capital adequacy guidelines or regulations of the Federal Reserve (or any successor bank regulatory authority that may become the Corporation's applicable federal banking agency) applicable to redemption of the Series B Preferred Stock, if any.

7. Form of Certificate. Attached as Exhibit A is the form of certificate representing the Series B Preferred Stock.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designations to be executed and acknowledged this 31st day of May, 2012.

THE CHARLES SCHWAB CORPORATION

THE CHARLES SCHWAB CORPORATION

By: /s/ Joseph R. Martinetto
Name: Joseph R. Martinetto
Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGED:

By: /s/ Susan L. Stapleton
Name: Susan L. Stapleton
Title: Assistant Corporate Secretary

FORM OF 6.00% NON-CUMULATIVE
PERPETUAL PREFERRED STOCK, SERIES B

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (“DTC”) TO THE CORPORATION OR THE REGISTRAR NAMED ON THE FACE OF THIS CERTIFICATE, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE CERTIFICATE OF DESIGNATIONS. IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR NAMED ON THE FACE OF THIS CERTIFICATE SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH REGISTRAR MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.]¹

Number: []

CUSIP NO.: 808513 303

6.00% Non-Cumulative Perpetual Preferred Stock, Series B

[] Shares

THE CHARLES SCHWAB CORPORATION

FACE OF SECURITY

¹ To be included if the certificate is in global form, otherwise to be removed.

This certifies that [Cede & Co.]² is the owner of [] fully paid and non-assessable shares of the 6.00% Non-Cumulative Perpetual Preferred Stock, Series B, par value \$0.01 per share, of The Charles Schwab Corporation, a Delaware corporation (hereinafter called the "Corporation"), transferable on the books of the Corporation by the holder hereof in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This certificate and the shares represented hereby are issued and shall be held subject to all the provisions of the Certificate of Incorporation, as amended, of the Corporation and all amendments thereto (copies of which are on file at the office of the Registrar) to all of which the holder of this certificate by acceptance hereof assents. This certificate is not valid until countersigned by the Registrar.

² To be included if the certificate is in global form, otherwise to be the name of the holder of the certificated shares.

IN WITNESS WHEREOF, the Corporation has caused this certificate to be executed.

THE CHARLES SCHWAB CORPORATION

By: _____

Name:

Title:

By: _____

Name:

Title:

REGISTRAR'S COUNTERSIGNATURE

This is one of the certificates representing shares of the 6.00% Non-Cumulative Perpetual Preferred Stock, Series B, referred to in the within mentioned Certificate of Designations.

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

as Registrar

By: _____

Name:

Title:

Dated:

REVERSE OF SECURITY
THE CHARLES SCHWAB CORPORATION

The shares of 6.00% Non-Cumulative Perpetual Preferred Stock, Series B (the “Series B Preferred Stock”) have the preferences and privileges, dividend rights, liquidation preferences and such other rights and qualifications, limitations and restrictions as provided in the Certificate of Designations relating to the Series B Preferred Stock (the “Certificate of Designations”), in addition to those set forth in the Certificate of Incorporation of the Corporation, as amended, and the Corporation’s bylaws, copies of which shall be furnished by the Corporation to any holder without charge upon the request addressed to the Secretary of the Corporation at its principal office in San Francisco, California or to the Registrar named on the face of this certificate.

A statement of the rights, preferences, privileges and restrictions granted to or imposed upon the respective classes or series of stock of the Corporation, and upon the holders thereof as established by the Certificate of Incorporation, the Certificate of Designations or any other certificate of determination of preferences, and the number of shares constituting each series or class and the designations thereof, may be obtained by any stockholder of the Corporation upon request and without charge from the Secretary of the Corporation at the principal office of the Corporation, 211 Main Street, San Francisco, California 94105.

ASSIGNMENT

For value received, _____ hereby sell, assign and transfer unto

Please Insert Social Security or Other Identifying Number of Assignee

(Please Print or Typewrite Name and Address, Including Zip Code, of Assignee)

shares of the capital stock represented by the within certificate, and do hereby irrevocably constitute and appoint Attorney to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated

NOTICE: The Signature to this Assignment Must
Correspond with the Name As Written Upon the
Face of the Certificate in Every Particular, Without
Alteration or Enlargement or Any Change
Whatever.

SIGNATURE GUARANTEED

(Signature Must Be Guaranteed by a Member
of a Medallion Signature Program)

DEPOSIT AGREEMENT

among

The Charles Schwab Corporation,
as Issuer

Wells Fargo Bank, N.A.
as Depositary,

and

THE HOLDERS FROM TIME TO TIME OF
THE DEPOSITARY RECEIPTS DESCRIBED HEREIN

Dated as of June 6, 2012

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DEPOSIT AGREEMENT dated as of June 6, 2012, among (i) The Charles Schwab Corporation, a Delaware corporation, (ii) Wells Fargo Bank, N.A., a national banking association formed under the laws of the United States, as Depositary and (iii) the holders from time to time of the Receipts described herein.

WHEREAS, it is desired to provide, as hereinafter set forth in this Deposit Agreement, for the deposit of shares of 6.00% Non-Cumulative Perpetual Preferred Stock, Series B, of the Corporation with the Depositary for the purposes set forth in this Deposit Agreement and for the issuance hereunder of Depositary Shares representing a fractional interest in the Stock deposited and for the execution and delivery of Receipts evidencing Depositary Shares;

WHEREAS, the Receipts are to be substantially in the form of Exhibit A annexed hereto, with appropriate insertions, modifications and omissions, as hereinafter provided in this Deposit Agreement; and

WHEREAS, the terms and conditions of the 6.00% Non-Cumulative Perpetual Preferred Stock, Series B, of the Corporation are substantially set forth in the Certificate of Designations attached hereto as Exhibit B;

NOW, THEREFORE, in consideration of the premises, the parties hereto agree as follows:

ARTICLE I
DEFINED TERMS

Section 1.1. *Definitions.*

The following definitions shall for all purposes, unless otherwise indicated, apply to the respective terms (in the singular and plural forms of such terms) used in this Deposit Agreement and the Receipts:

“*Certificate of Designations*” shall mean the Certificate of Designations filed with the Secretary of State of the State of Delaware establishing the Stock as a series of preferred stock of the Corporation, and setting forth the rights, preferences and privileges of the Stock, and attached hereto as Exhibit B, and as such certificate may be amended or restated from time to time.

“*Corporation*” shall mean The Charles Schwab Corporation, a Delaware corporation, and its successors.

“*Deposit Agreement*” shall mean this Deposit Agreement, as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof.

“*Depositary*” shall mean Wells Fargo Bank, N.A., a national banking association formed under the laws of the United States and any successor as Depositary hereunder.

“*Depositary Share Redemption Price*” shall have the meaning set forth in Section 2.8.

“*Depositary Shares*” shall mean the security representing a 1/40th fractional interest in a share of the Stock, and the same proportionate interest in any and all other property received by the Depositary in respect of such share of Stock and held under this Deposit Agreement, all as evidenced by the Receipts issued hereunder. Subject to the terms of this Deposit Agreement, each owner of a Depositary Share is entitled, proportionately, to all the rights, preferences and privileges of the Stock represented by such Depositary Share (including the dividend, voting, redemption and liquidation rights contained in the Certificate of Designations).

“*Depositary’s Agent*” shall mean an agent appointed by the Depositary pursuant to Section 7.5.

“*Depositary’s Office*” shall mean the principal office of the Depositary, at which at any particular time its depositary receipt business in respect of matters governed by this Deposit Agreement shall be administered.

“*Exchange Event*” shall mean with respect to any Global Registered Receipt:

(1) (A) the Global Receipt Depository which is the holder of such Global Registered Receipt or Receipts notifies the Corporation that it is no longer willing or able to properly discharge its responsibilities under any Letter of Representations or that it is no longer eligible or in good standing under the Securities Exchange Act of 1934, as amended, and (B) the Corporation has not appointed a qualified successor Global Receipt Depository within ninety (90) calendar days after the Corporation received such notice, or

(2) the Corporation in its sole discretion notifies the Depositary in writing that the Receipts or portion thereof issued or issuable in the form of one or more Global Registered Receipts shall no longer be represented by such Global Receipt or Receipts.

“*Global Receipt Depository*” shall mean, with respect to any Receipt issued hereunder, The Depository Trust Company (“DTC”) or such other entity designated as Global Receipt Depository by the Corporation in or pursuant to this Deposit Agreement, which Person must be, to the extent required by any applicable law or regulation, a clearing agency registered under the Securities Exchange Act of 1934, as amended.

“*Global Registered Receipts*” shall mean a global registered Receipt registered in the name of a nominee of DTC.

“*Letter of Representations*” shall mean any applicable agreement among the Corporation, the Depositary and a Global Receipt Depository with respect to such Global Receipt Depository’s rights and obligations with respect to any Global Registered Receipts, as the same may be amended, supplemented, restated or otherwise modified from time to time and any successor agreement thereto.

“*Receipt*” shall mean a receipt issued hereunder to evidence one or more Depositary Shares held of record by the record holder of such Depositary Shares, whether in definitive or temporary form, substantially in the form set forth as Exhibit A.

“*record holder*” or “*holder*” as applied to a Receipt shall mean the person in whose name a Receipt is registered on the books of the Depositary maintained by the Depositary for such purpose.

“*Redemption Date*” shall have the meaning set forth in Section 2.8.

“*Redemption Price*” shall have the meaning set forth in the Certificate of Designations.

“*Registrar*” shall mean the Depositary or such other successor bank or trust company which shall be appointed by the Corporation to register ownership and transfers of Receipts as herein provided and if a successor Registrar shall be so appointed, references herein to “the books” of or maintained by the Depositary shall be deemed, as applicable, to refer as well to the register maintained by such Registrar for such purpose.

“*Securities Act*” shall mean the Securities Act of 1933, as amended.

“*Stock*” shall mean shares of the Corporation’s 6.00% Non-Cumulative Perpetual Preferred Stock, Series B, \$0.01 par value, \$1,000 liquidation preference per share, designated and described in the Certificate of Designations.

ARTICLE II

FORM OF RECEIPTS, DEPOSIT OF STOCK, EXECUTION AND DELIVERY, TRANSFER, SURRENDER AND REDEMPTION OF RECEIPTS

Section 2.1. *Form and Transfer of Receipts.*

Definitive Receipts shall be substantially in the form set forth in Exhibit A annexed to this Deposit Agreement, in each case with appropriate insertions, modifications and omissions, as hereinafter provided and shall be engraved or otherwise prepared so as to comply with applicable rules of the New York Stock Exchange Inc.

Receipts shall be executed by the Depositary by the manual signature of a duly authorized officer of the Depositary; provided, that such signature may be a facsimile if a Registrar for the Receipts (other than the Depositary) shall have been appointed and such Receipts are countersigned by a duly authorized officer of the Registrar. No Receipt shall be entitled to any benefits under this Deposit Agreement or be valid or obligatory for any purpose unless it shall have been executed manually by a duly authorized officer of the Depositary or, if a Registrar for the Receipts (other than the Depositary) shall have been appointed, by manual or facsimile signature of a duly authorized officer of the Depositary and countersigned by a duly authorized officer of such Registrar. The Depositary shall record on its books each Receipt so signed and delivered as hereinafter provided.

Receipts shall be in denominations of any number of whole Depositary Shares. All receipts shall be dated the date of their issuance.

Receipts may be endorsed with or have incorporated in the text thereof such legends or recitals or changes not inconsistent with the provisions of this Deposit Agreement all as may be required by the Depository and approved by the Corporation or required to comply with any applicable law or any regulation thereunder or with the rules and regulations of any securities exchange upon which the Stock, the Depository Shares or the Receipts may be listed or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Receipts are subject.

Title to Depository Shares evidenced by a Receipt which is properly endorsed or accompanied by a properly executed instrument of transfer, shall be transferable by delivery with the same effect as in the case of a negotiable instrument; provided, however, that until transfer of any particular Receipt shall be registered on the books of the Depository as provided in Section 2.3, the Depository may, notwithstanding any notice to the contrary, treat the record holder thereof at such time as the absolute owner thereof for the purpose of determining the person entitled to distributions of dividends or other distributions or to any notice provided for in this Deposit Agreement and for all other purposes.

Section 2.2. *Deposit of Stock; Execution and Delivery of Receipts in Respect Thereof.*

Subject to the terms and conditions of this Deposit Agreement, the Corporation may from time to time deposit shares of the Stock under this Deposit Agreement by delivery to the Depository of (i) a certificate or certificates for the Stock to be deposited, properly endorsed or accompanied, if required by the Depository, by a duly executed instrument of transfer or endorsement or (ii) an instruction letter from the Corporation authorizing the Depository to register such shares of the Stock in book-entry form, each in form satisfactory to the Depository, together with all such certifications as may be required by the Depository in accordance with the provisions of this Deposit Agreement and all other information required to be set forth, and together with a written order of the Corporation directing the Depository to execute and deliver to, or upon the written order of, the person or persons stated in such order a Receipt or Receipts evidencing in the aggregate the number of Depository Shares representing such deposited Stock.

Deposited Stock shall be held by the Depository at the Depository's Office or at such other place or places as the Depository shall determine. The Depository shall not lend any Stock deposited hereunder.

Upon receipt by the Depository of (i) a certificate or certificates for Stock deposited in accordance with the provisions of this Section or (ii) an instruction letter from the Corporation in accordance with the provisions of this Section, together with the other documents required as above specified, and upon recordation of the Stock on the books of the Corporation (or its duly appointed transfer agent) in the name of the Depository or its nominee, the Depository, subject to the terms and conditions of this Deposit Agreement, shall execute and deliver to or upon the order of the person or persons named in the written order delivered to the Depository referred to in the first paragraph of this Section, a Receipt or Receipts evidencing in the aggregate the number of Depository Shares representing the Stock so deposited and registered in such name or names as may be requested by such person or persons. The Depository shall execute and deliver such Receipt or Receipts at the Depository's Office or such other offices, if any, as the

Depository may designate. Delivery at other offices shall be at the risk and expense of the person requesting such delivery.

Section 2.3. *Registration of Transfer of Receipts.*

Subject to the terms and conditions of this Deposit Agreement, the Depository shall register on its books from time to time transfers of Receipts upon any surrender thereof by the holder in person or by duly authorized attorney, properly endorsed or accompanied by a properly executed instrument of transfer. Thereupon, the Depository shall execute a new Receipt or Receipts evidencing the same aggregate number of Depository Shares as those evidenced by the Receipt or Receipts surrendered and deliver such new Receipt or Receipts to or upon the order of the person entitled thereto.

The Depository shall not be required (a) to issue, transfer or exchange any Receipts for a period beginning at the opening of business fifteen days next preceding any selection of Depository Shares and Stock to be redeemed and ending at the close of business on the day of the mailing of notice of redemption, or (b) to transfer or exchange for another Receipt any Receipt called or being called for redemption in whole or in part except as provided in Section 2.8.

Section 2.4. *Split-ups and Combinations of Receipts; Surrender of Receipts and Withdrawal of Stock.*

Upon surrender of a Receipt or Receipts at the Depository's Office or at such other offices as it may designate for the purpose of effecting a split-up or combination of such Receipt or Receipts, and subject to the terms and conditions of this Deposit Agreement, the Depository shall execute a new Receipt or Receipts in the authorized denomination or denominations requested, evidencing the aggregate number of Depository Shares evidenced by the Receipt or Receipts surrendered, and shall deliver such new Receipt or Receipts to or upon the order of the holder of the Receipt or Receipts so surrendered.

Any holder of a Receipt or Receipts may withdraw the number of whole shares of Stock and all money and other property, if any, represented thereby by surrendering such Receipt or Receipts, at the Depository's Office or at such other offices as the Depository may designate for such withdrawals. Thereafter, without unreasonable delay, the Depository shall deliver to such holder, or to the person or persons designated by such holder as hereinafter provided, the number of whole shares of Stock and all money and other property, if any, represented by the Receipt or Receipts so surrendered for withdrawal, but holders of such whole shares of Stock will not thereafter be entitled to deposit such Stock hereunder or to receive a Receipt evidencing Depository Shares therefor. If a Receipt delivered by the holder to the Depository in connection with such withdrawal shall evidence a number of Depository Shares in excess of the number of Depository Shares representing the number of whole shares of Stock to be so withdrawn, the Depository shall at the same time, in addition to such number of whole shares of Stock and such money and other property, if any, to be so withdrawn, deliver to such holder, or subject to Section 2.3 upon such holder's order, a new Receipt evidencing such excess number of Depository Shares.

Except as provided in Section 6.2, in no event will fractional shares of Stock (or any cash payment in lieu thereof) be delivered by the Depositary. Delivery of the Stock and money and other property, if any, being withdrawn may be made by the delivery of such certificates, documents of title and other instruments as the Depositary may deem appropriate.

If the Stock and the money and other property, if any, being withdrawn are to be delivered to a person or persons other than the record holder of the Receipt or Receipts being surrendered for withdrawal of Stock, such holder shall execute and deliver to the Depositary a written order so directing the Depositary and the Depositary may require that the Receipt or Receipts surrendered by such holder for withdrawal of such shares of Stock be properly endorsed in blank or accompanied by a properly executed instrument of transfer in blank.

Delivery of the Stock and the money and other property, if any, represented by Receipts surrendered for withdrawal shall be made by the Depositary at the Depositary's Office, except that, at the request, risk and expense of the holder surrendering such Receipt or Receipts and for the account of the holder thereof, such delivery may be made at such other place as may be designated by such holder.

Section 2.5. *Limitations on Execution and Delivery, Transfer, Surrender and Exchange of Receipts.*

As a condition precedent to the execution and delivery, registration of transfer, split-up, combination, surrender or exchange of any Receipt, the Depositary, any of the Depositary's Agents or the Corporation may require payment to it of a sum sufficient for the payment (or, in the event that the Depositary or the Corporation shall have made such payment, the reimbursement to it) of any charges or expenses payable by the holder of a Receipt pursuant to Section 5.7, may require the production of evidence satisfactory to it as to the identity and genuineness of any signature, and any other reasonable evidence of authority that may be required by the Depositary and may also require compliance with such regulations, if any, as the Depositary or the Corporation may establish consistent with the provisions of this Deposit Agreement and/or applicable law.

The deposit of Stock may be refused, the delivery of Receipts against Stock may be suspended, the registration of transfer of Receipts may be refused and the registration of transfer, surrender or exchange of outstanding Receipts may be suspended (i) during any period when the register of stockholders of the Corporation is closed or (ii) if any such action is deemed necessary or advisable by the Depositary, any of the Depositary's Agents or the Corporation at any time or from time to time because of any requirement of law or of any government or governmental body or commission or under any provision of this Deposit Agreement.

Section 2.6. *Lost Receipts, etc.*

In case any Receipt shall be mutilated, destroyed, lost or stolen, the Depositary in its discretion may execute and deliver a Receipt of like form and tenor in exchange and substitution for such mutilated Receipt, or in lieu of and in substitution for such destroyed, lost or stolen Receipt, upon (i) the filing by the holder thereof with the Depositary of evidence satisfactory to the Depositary of such destruction or loss or theft of such Receipt, of the authenticity thereof and

of such holder's ownership thereof and (ii) the holder thereof furnishing of the Depositary with reasonable indemnification satisfactory to the Depositary.

Section 2.7. *Cancellation and Destruction of Surrendered Receipts.*

All Receipts surrendered to the Depositary or any Depositary's Agent shall be cancelled by the Depositary. Except as prohibited by applicable law or regulation, the Depositary is authorized and directed to destroy all Receipts so cancelled.

Section 2.8. *Redemption of Stock.*

Whenever the Corporation shall be permitted and shall elect to redeem shares of Stock in accordance with the provisions of the Certificate of Designations (including on account of a Regulatory Capital Treatment Event, as described therein), it shall (unless otherwise agreed to in writing with the Depositary) give or cause to be given to the Depositary, not less than 30 days and not more than 60 days prior to the Redemption Date (as defined below), notice of the date of such proposed redemption of Stock and of the number of such shares held by the Depositary to be so redeemed and the Depositary Share Redemption Price, which notice shall be accompanied by a certificate from the Corporation stating that such redemption of Stock is in accordance with the provisions of the Certificate of Designations. On the date of such redemption, provided that the Corporation shall then have paid or caused to be paid in full to the Depositary the Redemption Price (as defined in the Certificate of Designations) per share of Stock to be redeemed, in accordance with and as required by the provisions of the Certificate of Designations, the Depositary shall redeem the number of Depositary Shares representing such Stock. The Depositary shall mail notice of the Corporation's redemption of Stock and the proposed simultaneous redemption of the number of Depositary Shares representing the Stock to be redeemed by first-class mail, postage prepaid, not less than 30 days and not more than 60 days prior to the date fixed for redemption of such Stock and Depositary Shares (the "*Redemption Date*"), to the record holders of the Receipts evidencing the Depositary Shares to be so redeemed at the addresses of such holders as they appear on the records of the Depositary; but neither failure to mail any such notice of redemption of Depositary Shares to one or more such holders nor any defect in any notice of redemption of Depositary Shares to one or more such holders shall affect the sufficiency of the proceedings for redemption as to the other holders. Each such notice shall be prepared by the Corporation and shall state: (i) the Redemption Date; (ii) the number of Depositary Shares to be redeemed and, if less than all the Depositary Shares held by any such holder are to be redeemed, the number of such Depositary Shares held by such holder to be so redeemed; (iii) the Depositary Share Redemption Price; (iv) the place or places where Receipts evidencing Depositary Shares are to be surrendered for payment of the Depositary Share Redemption Price and (v) that dividends on such shares of Stock represented by the Depositary Shares to be redeemed will cease to accrue on such Redemption Date. In case less than all the outstanding Depositary Shares are to be redeemed, the Depositary Shares to be so redeemed shall be selected either *pro rata*, by lot or in such other manner as the Corporation may determine to be equitable.

Notice having been mailed by the Depositary as aforesaid, from and after the Redemption Date (unless the Corporation shall have failed to provide the funds necessary to redeem the Stock evidenced by the Depositary Shares called for redemption) (i) all shares of Stock called for

redemption shall cease to be outstanding and any rights with respect to such shares shall cease and terminate (except for the right to receive the Preferred Stock Redemption Price without interest), (ii) the Depositary Shares being redeemed from such proceeds shall cease to be outstanding and all rights of the holders of Receipts evidencing such Depositary Shares shall, to the extent of such Depositary Shares, cease and terminate (except the right to receive the Depositary Share Redemption Price without interest), and (iii) upon surrender in accordance with such redemption notice of the Receipts evidencing any such Depositary Shares called for redemption (properly endorsed or assigned for transfer, if the Depositary or applicable law shall so require), such Depositary Shares shall be redeemed by the Depositary at a redemption price per Depositary Share (the “*Depositary Share Redemption Price*”) equal to one-fortieth of the Preferred Stock Redemption Price per share of Stock so redeemed plus all money and other property, if any, represented by such Depositary Shares.

If fewer than all of the Depositary Shares evidenced by a Receipt are called for redemption, the Depositary will deliver to the holder of such Receipt upon its surrender to the Depositary, together with the redemption payment, a new Receipt evidencing the Depositary Shares evidenced by such prior Receipt and not called for redemption.

Section 2.9. *Receipts Issuable in Global Registered Form.*

If the Corporation shall determine in a writing delivered to the Depositary that the Receipts are to be issued in whole or in part in the form of one or more Global Registered Receipts, then the Depositary shall, in accordance with the other provisions of this Deposit Agreement, execute and deliver one or more Global Registered Receipts evidencing such Receipts, which (i) shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, the Receipts to be represented by such Global Registered Receipt or Receipts, and (ii) shall be registered in the name of the Global Receipt Depository therefor or its nominee.

Notwithstanding any other provision of this Deposit Agreement to the contrary, unless otherwise provided in the Global Registered Receipt, a Global Registered Receipt may only be transferred in whole and only by the applicable Global Receipt Depository for such Global Registered Receipt to a nominee of such Global Receipt Depository, or by a nominee of such Global Receipt Depository to such Global Receipt Depository or another nominee of such Global Receipt Depository, or by such Global Receipt Depository or any such nominee to a successor Global Receipt Depository for such Global Registered Receipt selected or approved by the Corporation or to a nominee of such successor Global Receipt Depository. Except as provided below, owners solely of beneficial interests in a Global Registered Receipt shall not be entitled to receive physical delivery of the Receipts represented by such Global Registered Receipt. Neither any such beneficial owner nor any direct or indirect participant of a Global Receipt Depository shall have any rights under this Deposit Agreement with respect to any Global Registered Receipt held on their behalf by a Global Receipt Depository and such Global Receipt Depository may be treated by the Corporation, the Depositary and any director, officer, employee or agent of the Corporation or the Depositary as the holder of such Global Registered Receipt for all purposes whatsoever.

Unless and until definitive Receipts are delivered to the owners of the beneficial interests in a Global Registered Receipt, (1) the applicable Global Receipt Depository will make book-entry transfers among its participants and receive and transmit all payments and distributions in respect of the Global Registered Receipts to such participants, in each case, in accordance with its applicable procedures and arrangements, and (2) whenever any notice, payment or other communication to the holders of Global Registered Receipts is required under this Deposit Agreement, the Depository shall give all such notices, payments and communications specified herein to be given to such holders to the applicable Global Receipt Depository.

If an Exchange Event has occurred with respect to any Global Registered Receipt, then, in any such event, the Depository shall, upon receipt of a written order from the Corporation for the execution and delivery of individual definitive registered Receipts in exchange for such Global Registered Receipt, execute and deliver, individual definitive registered Receipts, in authorized denominations and of like tenor and terms in an aggregate principal amount equal to the principal amount of the Global Registered Receipt surrendered in exchange for such Global Registered Receipt.

Definitive registered Receipts issued in exchange for a Global Registered Receipt pursuant to this Section shall be registered in such names and in such authorized denominations as the Global Receipt Depository for such Global Registered Receipt, pursuant to instructions from its participants, shall instruct the Depository in writing. The Depository shall deliver such Receipts to the persons in whose names such Receipts are so registered.

Notwithstanding anything to the contrary in this Deposit Agreement, should the Corporation determine that the Receipts should be issued as a Global Registered Receipt, the parties hereto shall comply with the terms of each Letter of Representations, if applicable.

ARTICLE III
CERTAIN OBLIGATIONS OF
HOLDERS OF RECEIPTS AND THE CORPORATION

Section 3.1. *Filing Proofs, Certificates and Other Information.*

Any holder of a Receipt may be required from time to time to file such proof of residence, or other matters or other information, to execute such certificates and to make such representations and warranties as the Depository or the Corporation may reasonably deem necessary or proper. The Depository or the Corporation may withhold the delivery, or delay the registration of transfer or redemption, of any Receipt or the withdrawal of the Stock represented by the Depository Shares evidenced by any Receipt or the distribution of any dividend or other distribution or the sale of any rights or of the proceeds thereof until such proof or other information is filed or such certificates are executed or such representations and warranties are made.

Section 3.2. *Payment of Taxes or Other Governmental Charges.*

Holders of Receipts shall be obligated to make payments to the Depository of certain charges and expenses, as provided in Section 5.7. Registration of transfer of any Receipt or any withdrawal of Stock and all money or other property, if any, represented by the Depository Shares evidenced by such Receipt may be refused until any such payment due is made, and any dividends or other distributions may be withheld or any part of or all the Stock or other property represented by the Depository Shares evidenced by such Receipt and not theretofore sold may be sold for the account of the holder thereof (after attempting by reasonable means to notify such holder prior to such sale), and such dividends or other distributions or the proceeds of any such sale may be applied to any payment of such charges or expenses, the holder of such Receipt remaining liable for any deficiency.

Section 3.3. *Warranty as to Stock.*

The Corporation hereby represents and warrants that the Stock, when issued, will be duly authorized, validly issued, fully paid and nonassessable (subject to 12 U.S.C. § 55). Such representation and warranty shall survive the deposit of the Stock and the issuance of Receipts.

Section 3.4. *Warranty as to Receipts.*

The Corporation hereby represents and warrants that the Receipts, when issued, will represent legal and valid interests in the Stock. Such representation and warranty shall survive the deposit of the Stock and the issuance of Receipts.

ARTICLE IV

THE DEPOSITED SECURITIES; NOTICES

Section 4.1. *Cash Distributions.*

Whenever the Depository shall receive any cash dividend or other cash distribution on Stock, the Depository shall, subject to Sections 3.1 and 3.2, distribute to record holders of Receipts on the record date fixed pursuant to Section 4.4 such amounts of such dividend or distribution as are, as nearly as practicable, in proportion to the respective numbers of Depository Shares evidenced by the Receipts held by such holders; provided, however, that in case the Corporation or the Depository shall be required to withhold and shall withhold from any cash dividend or other cash distribution in respect of the Stock an amount on account of taxes, the amount made available for distribution or distributed in respect of Depository Shares shall be reduced accordingly. The Depository shall distribute or make available for distribution, as the case may be, only such amount, however, as can be distributed without attributing to any holder of Depository Shares a fraction of one cent, and any balance not so distributable shall be held by the Depository (without liability for interest thereon) and shall be added to and be treated as part of the next sum received by the Depository for distribution to record holders of Receipts then outstanding. Each holder of a Receipt shall provide the Depository with its certified tax identification number on a properly completed Form W-8 or W-9, as may be applicable. Each holder of a Receipt acknowledges that, in the event of non-compliance with the preceding

sentence, the Internal Revenue Code of 1986, as amended, may require withholding by the Depository of a portion of any of the distributions to be made hereunder.

Section 4.2. *Distributions Other than Cash, Rights, Preferences or Privileges.*

Whenever the Depository shall receive any distribution other than cash, rights, preferences or privileges upon Stock, the Depository shall, at the direction of the Corporation, subject to Sections 3.1 and 3.2, distribute to record holders of Receipts on the record date fixed pursuant to Section 4.4 such amounts of the securities or property received by it as are, as nearly as practicable, in proportion to the respective numbers of Depository Shares evidenced by the Receipts held by such holders, in any manner that the Corporation may deem equitable and practicable for accomplishing such distribution. If in the opinion of the Depository such distribution cannot be made proportionately among such record holders in accordance with the direction of the Corporation, or if for any other reason (including any requirement that the Corporation or the Depository withhold an amount on account of taxes) the Depository deems, after consultation with the Corporation, such distribution not to be feasible, the Depository may, with the approval of the Corporation, adopt such method as it deems equitable and practicable for the purpose of effecting such distribution, including the sale (at public or private sale) of the securities or property thus received, or any part thereof, in a commercially reasonable manner. The net proceeds of any such sale shall, subject to Sections 3.1 and 3.2, be distributed or made available for distribution, as the case may be, by the Depository to record holders of Receipts as provided by Section 4.1 in the case of a distribution received in cash. The Corporation shall not make any distribution of such securities or property to the Depository and the Depository shall not make any distribution of such securities or property to the holders of Receipts unless the Corporation shall have provided an opinion of counsel stating that such securities or property have been registered under the Securities Act or do not need to be registered in connection with such distributions.

Section 4.3. *Subscription Rights, Preferences or Privileges.*

If the Corporation shall at any time offer or cause to be offered to the persons in whose names Stock is recorded on the books of the Corporation any rights, preferences or privileges to subscribe for or to purchase any securities or any rights, preferences or privileges of any other nature, such rights, preferences or privileges shall in each such instance be made available by the Depository to the record holders of Receipts in such manner as the Corporation shall instruct the Depository in writing, either by the issue to such record holders of warrants representing such rights, preferences or privileges or by such other method as may be approved by the Corporation; provided, however, that (i) if at the time of issue or offer of any such rights, preferences or privileges the Depository determines that it is not lawful or (after consultation with the Corporation) not feasible to make such rights, preferences or privileges available to holders of Receipts by the issue of warrants or otherwise, or (ii) if and to the extent so instructed by holders of Receipts who do not desire to exercise such rights, preferences or privileges, then the Depository, in its discretion (with approval of the Corporation, in any case where the Depository has determined that it is not feasible to make such rights, preferences or privileges available), may, if applicable laws or the terms of such rights, preferences or privileges permit such transfer, sell such rights, preferences or privileges at public or private sale, at such place or places and upon such terms as it may deem proper. The net proceeds of any such sale shall, subject to

Sections 3.1 and 3.2, be distributed by the Depositary to the record holders of Receipts entitled thereto as provided by Section 4.1 in the case of a distribution received in cash.

The Corporation shall notify the Depositary whether registration under the Securities Act of the securities to which any rights, preferences or privileges relate is required in order for holders of Receipts to be offered or sold the securities to which such rights, preferences or privileges relate, and the Corporation agrees with the Depositary that it will file promptly a registration statement pursuant to such Act with respect to such rights, preferences or privileges and securities and use its reasonable best efforts and take all steps available to it to cause such registration statement to become effective sufficiently in advance of the expiration of such rights, preferences or privileges to enable such holders to exercise such rights, preferences or privileges. In no event shall the Depositary make available to the holders of Receipts any right, preference or privilege to subscribe for or to purchase any securities unless and until such registration statement shall have become effective, or the Corporation shall have provided to the Depositary an opinion of counsel to the effect that the offering and sale of such securities to such holders are exempt from registration under the provisions of the Securities Act.

The Corporation shall notify the Depositary whether any other action under the laws of any jurisdiction or any governmental or administrative authorization, consent or permit is required in order for such rights, preferences or privileges to be made available to holders of Receipts, and the Corporation agrees with the Depositary that the Corporation will use its reasonable best efforts to take such action or obtain such authorization, consent or permit sufficiently in advance of the expiration of such rights, preferences or privileges to enable such holders to exercise such rights, preferences or privileges.

Section 4.4. *Notice of Dividends, etc.; Fixing Record Date for Holders of Receipts.*

Whenever any cash dividend or other cash distribution shall become payable or any distribution other than cash shall be made, or if rights, preferences or privileges shall at any time be offered, with respect to Stock, or whenever the Depositary shall receive notice of any meeting at which holders of Stock are entitled to vote or of which holders of Stock are entitled to notice, or whenever the Depositary and the Corporation shall decide it is appropriate, the Depositary shall in each such instance fix a record date (which shall be the same date as the record date fixed by the Corporation with respect to, or otherwise in accordance with the terms of, the Stock, as identified in a written notice to the Depositary of such record date) for the determination of the holders of Receipts who shall be entitled to receive such dividend, distribution, rights, preferences or privileges or the net proceeds of the sale thereof, or to give instructions for the exercise of voting rights at any such meeting, or who shall be entitled to notice of such meeting or for any other appropriate reasons.

Section 4.5. *Voting Rights.*

Subject to the provisions of the Certificate of Designations, upon receipt of notice of any meeting at which the holders of Stock are entitled to vote, the Depositary shall, as soon as practicable thereafter, mail or transmit by such other method approved by the Depositary, in its reasonable discretion, to the record holders of Receipts a notice prepared by the Corporation which shall contain (i) such information as is contained in such notice of meeting and (ii) a

statement that the holders may, subject to any applicable restrictions, instruct the Depositary as to the exercise of the voting rights pertaining to the amount of Stock represented by their respective Depositary Shares (including an express indication that instructions may be given to the Depositary to give a discretionary proxy to a person designated by the Corporation) and a brief statement as to the manner in which such instructions may be given. Upon the written request of the holders of Receipts on the relevant record date, the Depositary shall endeavor insofar as practicable to vote or cause to be voted, in accordance with the instructions set forth in such requests, the maximum number of whole shares of Stock represented by the Depositary Shares evidenced by all Receipts as to which any particular voting instructions are received. The Corporation hereby agrees to take all reasonable action which may be deemed necessary by the Depositary in order to enable the Depositary to vote such Stock or cause such Stock to be voted. In the absence of specific instructions from holders of Receipts, the Depositary will vote the Series B Preferred Stock represented by the Depositary Shares evidenced by the Receipts of such holders proportionately with votes cast pursuant to instructions received from the other holders.

Section 4.6. *Changes Affecting Deposited Securities and Reclassifications, Recapitalizations, etc.*

Upon any change in par or stated value, split-up, combination or any other reclassification of the Stock, subject to the Certificate of Designations, or upon any recapitalization, reorganization, merger or consolidation affecting the Corporation or to which it is a party, the Depositary may in its discretion with the approval of, and shall upon the instructions of, the Corporation, and (in either case) in such manner as the Depositary may deem equitable, (i) make such adjustments as are certified by the Corporation in the fraction of an interest represented by one Depositary Share in one share of Stock and in the ratio of the Redemption Price to the Preferred Stock Redemption Price, in each case as may be necessary fully to reflect the effects of such change in par or stated value, split-up, combination or other reclassification of Stock, or of such recapitalization, reorganization, merger or consolidation and (ii) treat any securities which shall be received by the Depositary in exchange for or upon conversion of or in respect of the Stock as new deposited securities so received in exchange for or upon conversion or in respect of such Stock. In any such case the Depositary may in its discretion, with the approval of the Corporation, execute and deliver additional Receipts or may call for the surrender of all outstanding Receipts to be exchanged for new Receipts specifically describing such new deposited securities. Anything to the contrary herein notwithstanding, holders of Receipts shall have the right from and after the effective date of any such change in par or stated value, split-up, combination or other reclassification of the Stock or any such recapitalization, reorganization, merger or consolidation to surrender such Receipts to the Depositary with instructions to convert, exchange or surrender the Stock represented thereby only into or for, as the case may be, the kind and amount of shares of stock and other securities and property and cash into which the Stock represented by such Receipts might have been converted or for which such Stock might have been exchanged or surrendered immediately prior to the effective date of such transaction.

Section 4.7. *Delivery of Reports.*

The Depositary shall furnish to holders of Receipts any reports and communications received from the Corporation which are received by the Depositary and which the Corporation is required to furnish to the holders of the Stock.

Section 4.8. *Lists of Receipt Holders.*

Promptly upon request from time to time by the Corporation, the Depositary shall furnish to it a list, as of the most recent practicable date, of the names, addresses and holdings of Depositary Shares of all record holders of Receipts.

ARTICLE V

THE DEPOSITARY, THE DEPOSITARY'S
AGENTS, THE REGISTRAR AND THE CORPORATION

Section 5.1. *Maintenance of Offices, Agencies and Transfer Books by the Depositary; Registrar.*

Upon execution of this Deposit Agreement, the Depositary shall maintain at the Depositary's Office, facilities for the execution and delivery, registration and registration of transfer, surrender and exchange of Receipts, and at the offices of the Depositary's Agents, if any, facilities for the delivery, registration of transfer, surrender and exchange of Receipts, all in accordance with the provisions of this Deposit Agreement.

The Depositary shall keep books at the Depositary's Office for the registration and registration of transfer, surrender and exchange of Receipts, which books at all reasonable times shall be open for inspection by the record holders of Receipts; provided that any such holder requesting to exercise such right shall certify to the Depositary that such inspection shall be for a proper purpose reasonably related to such person's interest as an owner of Depositary Shares evidenced by the Receipts.

The Depositary may close such books, at any time or from time to time, when deemed expedient by it in connection with the performance of its duties hereunder.

The Corporation may appoint a Registrar for registration of the Receipts or the Depositary Shares evidenced thereby. If the Receipts or the Depositary Shares evidenced thereby or the Stock represented by such Depositary Shares shall be listed on one or more national stock exchanges, the Corporation will appoint a Registrar for registration of such Receipts or Depositary Shares in accordance with any requirements of such exchange. Such Registrar (which may be the Depositary if so permitted by the requirements of any such exchange) may be removed and a substitute Registrar appointed by the Depositary upon the request or with the approval of the Corporation. If the Receipts, such Depositary Shares or such Stock are listed on one or more other stock exchanges, the Depositary will, at the request of the Corporation, arrange such facilities for the delivery, registration, registration of transfer, surrender and exchange of such Receipts, such Depositary Shares or such Stock as may be required by law or applicable stock exchange regulation.

Section 5.2. *Prevention of or Delay in Performance by the Depositary, the Depositary's Agents, the Registrar or the Corporation.*

Neither the Depositary nor any Depositary's Agent nor any Registrar nor the Corporation shall incur any liability to any holder of any Receipt if by reason of any provision of any present or future law, or regulation thereunder, of the United States of America or of any other governmental authority or, in the case of the Depositary, the Depositary's Agent or the Registrar, by reason of any provision, present or future, of the Corporation's Fifth Restated Certificate of Incorporation, as amended (including the Certificate of Designations), or by reason of any act of God or war or other circumstance beyond the control of the relevant party, the Depositary, the Depositary's Agent, the Registrar or the Corporation shall be prevented or forbidden from, or subjected to any penalty on account of, doing or performing any act or thing which the terms of this Deposit Agreement provide shall be done or performed; nor shall the Depositary, any Depositary's Agent, any Registrar or the Corporation incur liability to any holder of a Receipt (i) by reason of any nonperformance or delay, caused as aforesaid, in the performance of any act or thing which the terms of this Deposit Agreement shall provide shall or may be done or performed, or (ii) by reason of any exercise of, or failure to exercise, any discretion provided for in this Deposit Agreement except as otherwise explicitly set forth in this Deposit Agreement.

Section 5.3. *Obligations of the Depositary, the Depositary's Agents, the Registrar and the Corporation.*

Neither the Depositary nor any Depositary's Agent nor any Registrar nor the Corporation assumes any obligation or shall be subject to any liability under this Deposit Agreement to holders of Receipts other than for its negligence, willful misconduct or bad faith. Notwithstanding anything in this Deposit Agreement to the contrary, neither the Depositary, nor the Depositary's Agent nor any Registrar nor the Corporation shall be liable in any event for special, punitive, incidental, indirect or consequential losses or damages of any kind whatsoever (including but not limited to lost profits).

Neither the Depositary nor any Depositary's Agent nor any Registrar nor the Corporation shall be under, any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of the Stock, the Depositary Shares or the Receipts which in its opinion may involve it in expense or liability unless indemnity satisfactory to it against all expense and liability be furnished as often as may be required.

Neither the Depositary nor any Depositary's Agent nor any Registrar nor the Corporation shall be liable for any action or any failure to act by it in reasonable reliance upon the written advice of legal counsel or accountants, or information from any person presenting Stock for deposit, any holder of a Receipt or any other person believed by it in good faith to be competent to give such information. The Depositary, any Depositary's Agent, any Registrar and the Corporation may each rely and shall each be protected in acting upon or omitting to act upon any written notice, request, direction or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

The Depositary will indemnify the Corporation against any liability which may directly arise out of acts performed or omitted by the Depositary due to its gross negligence, willful

misconduct or bad faith, however, in no event shall the Depositary be liable for consequential, special or indirect damages of any kind regardless of whether the Depositary is put on notice of the possibility of such damages. The Depositary shall not be liable for the acts or omissions due to the gross negligence, willful misconduct or bad faith of any Depositary's Agent, so long as such Depositary's Agent was appointed with due care.

The Depositary shall not be responsible for any failure to carry out any instruction to vote any of the shares of Stock or for the manner or effect of any such vote made, as long as any such action or non-action is not taken in bad faith. The Depositary undertakes, and any Registrar shall be required to undertake, to perform such duties and only such duties as are specifically set forth in this Deposit Agreement, and no implied covenants or obligations shall be read into this Deposit Agreement against the Depositary or any Registrar.

The Depositary, the Depositary's Agents, and any Registrar may own and deal in any class of securities of the Corporation and its affiliates and in Receipts. The Depositary may also act as transfer agent or registrar of any of the securities of the Corporation and its affiliates.

The Depositary shall not be under any liability for interest on any monies at any time received by it pursuant to any of the provisions of this Deposit Agreement or of the Receipts, the Depositary Shares or the Stock nor shall it be obligated to segregate such monies from other monies held by it, except as required by law. The Depositary shall not be responsible for advancing funds on behalf of the Corporation and shall have no duty or obligation to make any payments if it has not timely received sufficient funds to make timely payments.

In the event the Depositary believes any ambiguity or uncertainty exists hereunder or in any notice, instruction, direction, request or other communication, paper or document received by the Depositary hereunder, or in the administration of any of the provisions of this Deposit Agreement, the Depositary shall deem it necessary or desirable that a matter be proved or established prior to taking, omitting or suffering to take any action hereunder, the Depositary may, in its sole discretion upon written notice to the Corporation, refrain from taking any action and shall be fully protected and shall not be liable in any way to the Corporation, any holders of Receipts or any other person or entity for refraining from taking such action, unless the Depositary receives written instructions or a certificate signed by the Corporation which eliminates such ambiguity or uncertainty to the satisfaction of the Depositary or which proves or establishes the applicable matter to the satisfaction of the Depositary. The Depositary shall not be liable to the Corporation or any holder of Receipts, for any action taken by it in accordance with the written instruction of the Corporation.

Section 5.4. *Resignation and Removal of the Depositary; Appointment of Successor Depositary.*

The Depositary may at any time resign as Depositary hereunder by delivering notice of its election to do so to the Corporation, such resignation to take effect upon the appointment of a successor Depositary and its acceptance of such appointment as hereinafter provided.

The Depositary may at any time be removed by the Corporation by notice of such removal delivered to the Depositary, such removal to take effect upon the appointment of a successor Depositary hereunder and its acceptance of such appointment as hereinafter provided.

In case at any time the Depositary acting hereunder shall resign or be removed, the Corporation shall, within 60 days after the delivery of the notice of resignation or removal, as the case may be, appoint a successor Depositary, which shall be a bank or trust Corporation having its principal office in the United States of America and having a combined capital and surplus of at least \$50,000,000. If no successor Depositary shall have been so appointed and have accepted appointment within 60 days after delivery of such notice, the resigning or removed Depositary may petition any court of competent jurisdiction for the appointment of a successor Depositary. Every successor Depositary shall execute and deliver to its predecessor and to the Corporation an instrument in writing accepting its appointment hereunder, and thereupon such successor Depositary, without any further act or deed, shall become fully vested with all the rights, powers, duties and obligations of its predecessor and for all purposes shall be the Depositary under this Deposit Agreement, and such predecessor, upon payment of all sums due it and on the written request of the Corporation, shall promptly execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder, shall duly assign, transfer and deliver all right, title and interest in the Stock and any moneys or property held hereunder to such successor, and shall deliver to such successor a list of the record holders of all outstanding Receipts and such records, books and other information in its possession relating thereto. Any successor Depositary shall promptly mail or transmit by such other method approved by such successor Depositary, in its reasonable discretion, notice of its appointment to the record holders of Receipts.

Any entity into or with which the Depositary may be merged, consolidated or converted shall be the successor of such Depositary without the execution or filing of any document or any further act, and notice thereof shall not be required hereunder. Such successor Depositary may authenticate the Receipts in the name of the predecessor Depositary or in the name of the successor Depositary.

Section 5.5. *Corporate Notices and Reports.*

The Corporation agrees that it will deliver to the Depositary, and the Depositary will, promptly after receipt thereof, transmit to the record holders of Receipts, in each case at the addresses recorded in the Depositary's books, copies of all notices and reports (including without limitation financial statements) required by law, by the rules of any national securities exchange upon which the Stock, the Depositary Shares or the Receipts are listed or by the Corporation's Fifth Restated Certificate of Incorporation, as amended (including the Certificate of Designations), to be furnished to the record holders of Receipts. Such transmission will be at the Corporation's expense and the Corporation will provide the Depositary with such number of copies of such documents as the Depositary may reasonably request. In addition, the Depositary will transmit to the record holders of Receipts at the Corporation's expense such other documents as may be requested by the Corporation.

Section 5.6. *Indemnification by the Corporation.*

Notwithstanding Section 5.3 to the contrary, the Corporation shall indemnify the Depository, any Depository's Agent and any Registrar (including each of their officers, directors, agents and employees) against, and hold each of them harmless from, any loss, damage, cost, penalty, liability or expense (including the reasonable out-of-pocket costs and expenses of defending itself) which may arise out of acts performed, suffered or omitted to be taken in connection with this Deposit Agreement and the Receipts by the Depository, any Registrar or any of their respective agents (including any Depository's Agent) and any transactions or documents contemplated hereby, except for any liability arising out of negligence, willful misconduct or bad faith on the respective parts of any such person or persons. The obligations of the Corporation set forth in this Section 5.6 shall survive any succession of any Depository, Registrar or Depository's Agent.

Section 5.7. *Fees, Charges and Expenses.*

The Corporation agrees promptly to pay the Depository the compensation to be agreed upon with the Corporation for all services rendered by the Depository hereunder and to reimburse the Depository for its reasonable out-of-pocket expenses (including reasonable counsel fees and expenses) incurred by the Depository without negligence, willful misconduct or bad faith on its part (or on the part of any Depository's Agent) in connection with the services rendered by it (or such Depository's Agent) hereunder. The Corporation shall pay all charges of the Depository in connection with the initial deposit of the Stock and the initial issuance of the Depository Shares, all withdrawals of shares of the Stock by owners of Depository Shares, and any redemption or exchange of the Stock at the option of the Corporation. The Corporation shall pay all transfer and other taxes and governmental charges arising solely from the existence of the depository arrangements. All other transfer and other taxes and governmental charges shall be at the expense of holders of Depository Shares evidenced by Receipts. If, at the request of a holder of Receipts, the Depository incurs charges or expenses for which the Corporation is not otherwise liable hereunder, such holder will be liable for such charges and expenses; provided, however, that the Depository may, at its sole option, require a holder of a Receipt to prepay the Depository any charge or expense the Depository has been asked to incur at the request of such holder of Receipts. The Depository shall present its statement for charges and expenses to the Corporation at such intervals as the Corporation and the Depository may agree.

ARTICLE VI

AMENDMENT AND TERMINATION

Section 6.1. *Amendment.*

The form of the Receipts and any provisions of this Deposit Agreement may at any time and from time to time be amended by agreement between the Corporation and the Depository in any respect which they may deem necessary or desirable; provided, however, that no such amendment which shall materially and adversely alter the rights of the holders of Receipts shall be effective unless such amendment shall have been approved by holders of Receipts representing in the aggregate at least a two-thirds majority of the Depository Shares then

outstanding. Every holder of an outstanding Receipt at the time any such amendment becomes effective shall be deemed, by continuing to hold such Receipt, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby. In no event shall any amendment impair the right, subject to the provisions of Sections 2.5 and 2.6 and Article III, of any owner of Depositary Shares to surrender any Receipt evidencing such Depositary Shares to the Depositary with instructions to deliver to the holder the Stock and all money and other property, if any, represented thereby, except in order to comply with mandatory provisions of applicable law or the rules and regulations of any governmental body, agency or commission, or applicable stock exchange.

Section 6.2. *Termination.*

This Deposit Agreement may be terminated by the Corporation at any time upon not less than 60 days prior written notice to the Depositary, in which case, at least 30 days prior to the date fixed in such notice for such termination, the Depositary will mail notice of such termination to the record holders of all Receipts then outstanding.

If any Receipts shall remain outstanding after the date of termination of this Deposit Agreement, the Depositary thereafter shall discontinue the transfer of Receipts, shall suspend the distribution of dividends to the holders thereof and shall not give any further notices (other than notice of such termination) or perform any further acts under this Deposit Agreement, except that the Depositary shall continue to collect dividends and other distributions pertaining to Stock, shall sell rights, preferences or privileges as provided in this Deposit Agreement and shall deliver the number of whole or fractional shares of Stock and any money and other property, if any, represented by Receipts upon surrender thereof by the holders thereof. At any time after the expiration of two years from the date of termination, the Depositary may sell Stock then held hereunder at public or private sale, at such places and upon such terms as it deems proper and may thereafter hold the net proceeds of any such sale, together with any money and other property held by it hereunder, without liability for interest, for the benefit, pro rata in accordance with their holdings, of the holders of Receipts that have not theretofore been surrendered. After making such sale, the Depositary shall be discharged from all obligations under this Deposit Agreement except to account for such net proceeds and money and other property; provided, that Sections 5.3 and 5.6 shall survive the termination of this Deposit Agreement.

This Deposit Agreement will terminate automatically if (i) all outstanding Depositary Shares have been redeemed pursuant to Section 2.8 or (ii) there shall have been made a final distribution in respect of the Stock in connection with any liquidation, dissolution or winding up of the Corporation and such distribution shall have been distributed to the holders of Depositary Shares pursuant to Section 4.1 or 4.2, as applicable.

Upon the termination of this Deposit Agreement, the Corporation shall be discharged from all obligations under this Deposit Agreement except for its obligations to the Depositary, any Depositary's Agent and any Registrar under Sections 5.6 and 5.7.

ARTICLE VII
MISCELLANEOUS

Section 7.1. *Counterparts.*

This Deposit Agreement may be executed in any number of counterparts, and by each of the parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed an original, but all such counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Deposit Agreement by facsimile or electronic mail shall be effective as delivery of a manually executed counterpart of this Deposit Agreement.

Section 7.2. *Exclusive Benefit of Parties.*

This Deposit Agreement is for the exclusive benefit of the parties hereto, and their respective successors hereunder, and shall not be deemed to give any legal or equitable right, remedy or claim to any other person whatsoever.

Section 7.3. *Invalidity of Provisions.*

In case any one or more of the provisions contained in this Deposit Agreement or in the Receipts should be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall in no way be affected, prejudiced or disturbed thereby.

Section 7.4. *Notices.*

Any and all notices to be given to the Corporation hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail, or by telegram, facsimile transmission or electronic mail confirmed by letter, addressed to the Corporation at

The Charles Schwab Corporation
211 Main Street
San Francisco, California 94105
Attention: Chief Financial Officer
Facsimile: (415) 667-9731
Email: Joseph.Martinetto@schwab.com,
Attention: Treasurer
Facsimile: 415-667-8565
Email: bill.quinn@schwab.com
Attention: General Counsel
Facsimile: (415) 667-9814
Email: carrie.dwyer@schwab.com

or at any other addresses of which the Corporation shall have notified the Depository in writing.

Any and all notices to be given to the Depository hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail, or by facsimile transmission confirmed by letter, addressed to the Depository at the Depository's Office at

Wells Fargo Bank, N.A.
161 North Concord Exchange
South St. Paul, MN 55075

Attention: Relationship Manager
Facsimile No.: 651-450-4078

or at any other address of which the Depository shall have notified the Corporation in writing.

Any and all notices to be given to any record holder of a Receipt hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail or facsimile transmission confirmed by letter, addressed to such record holder at the address of such record holder as it appears on the books of the Depository, or if such holder shall have timely filed with the Depository a written request that notices intended for such holder be mailed to some other address, at the address designated in such request.

Delivery of a notice sent by mail or by facsimile transmission shall be deemed to be effected at the time when a duly addressed letter containing the same (or a confirmation thereof in the case of a facsimile transmission) is deposited, postage prepaid, in a post office letter box. The Depository or the Corporation may, however, act upon any facsimile transmission received by it from the other or from any holder of a Receipt, notwithstanding that such facsimile transmission shall not subsequently be confirmed by letter or as aforesaid.

Section 7.5. *Depository's Agents.*

The Depository may from time to time appoint Depository's Agents to act in any respect for the Depository for the purposes of this Deposit Agreement and may at any time appoint additional Depository's Agents and vary or terminate the appointment of such Depository's Agents. The Depository will promptly notify the Corporation in advance of any such action.

Section 7.6. *Appointment of Registrar in Respect of the Receipts.*

The Corporation hereby appoints the Depository as Registrar in respect of the Receipts and the Depository hereby accepts such appointments.

Section 7.7. *Holders of Receipts Are Parties.*

The holders of Receipts from time to time shall be parties to this Deposit Agreement and shall be bound by all of the terms and conditions hereof and of the Receipts by acceptance of delivery thereof.

Section 7.8. *Governing Law.*

This Deposit Agreement and the Receipts and all rights hereunder and thereunder and provisions hereof and thereof shall be governed by, and construed in accordance with, the laws of the State of New York, not including the conflict or choice of law rules other than Section 5-1401 of the General Obligations Law. Each party hereby agrees that any action, suit or proceeding arising out of or relating to this Deposit Agreement or the Receipts, or such rights or provisions, may be brought in or removed to the U.S. District Court for the Southern District of New York or, if that court does not have subject matter jurisdiction, any state court located in The City and County of New York. Each party hereby accepts, for itself and in respect of its property, generally and unconditionally, to submit to the non-exclusive jurisdiction of, and venue in, such courts (and courts of appeals therefrom) with respect to any such action, suit or proceeding, and hereby waives the defenses of improper venue or inconvenient forum with respect thereto.

Section 7.9. *Inspection of Deposit Agreement.*

Copies of this Deposit Agreement shall be filed with the Depositary and the Depositary's Agents and shall be open to inspection during business hours at the Depositary's Office and the respective offices of the Depositary's Agents, if any, by any holder of a Receipt.

Section 7.10. *Headings.*

The headings of articles and sections in this Deposit Agreement and in the form of the Receipt set forth in Exhibit A hereto have been inserted for convenience only and are not to be regarded as a part of this Deposit Agreement or the Receipts or to have any bearing upon the meaning or interpretation of any provision contained herein or in the Receipts.

Section 7.11. *Confidentiality.*

The Depositary and the Corporation agree that all books, records, information and data pertaining to the business of the other party, including, inter alia, personal, non-public holder information, which are exchanged or received pursuant to the negotiation or the carrying out of this Deposit Agreement, shall remain confidential, and shall not be voluntarily disclosed to any other person, except as may be required by law or legal process.

IN WITNESS WHEREOF, the Corporation and the Depositary have duly executed this Deposit Agreement as of the day and year first above set forth, and all holders of Receipts shall become parties hereto by and upon acceptance by them of delivery of Receipts issued in accordance with the terms hereof.

THE CHARLES SCHWAB CORPORATION

By: /s/ Joseph R. Martinetto

Name: Joseph R. Martinetto

Title: Executive Vice President and
Chief Financial Officer

WELLS FARGO BANK, N.A.

By: /s/ Becky Paulson

Name: Becky Paulson

Title: Vice President

Exhibit A

[FORM OF FACE OF RECEIPT]

Unless this receipt is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to The Charles Schwab Corporation or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

DEPOSITARY SHARES

[]

DEPOSITARY RECEIPT FOR DEPOSITARY SHARES EACH
REPRESENTING 1/40TH OF ONE SHARE OF 6.00% NON-CUMULATIVE PERPETUAL
PREFERRED STOCK, SERIES B

OF

THE CHARLES SCHWAB CORPORATION

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

CUSIP 808513 204

SEE REVERSE FOR CERTAIN DEFINITIONS

Dividend Payment Dates: Beginning September 1, 2012, each March 1, June 1, September 1 and December 1.

Wells Fargo Bank, N.A., a national banking association formed under the laws of the United States, as Depository (the “Depository”), hereby certifies that Cede & Co. is the registered owner of [] [()] DEPOSITARY SHARES (“Depository Shares”), each Depository Share representing 1/40th of one share of 6.00% Non-Cumulative Perpetual Preferred Stock, Series B, \$0.01 par value, liquidation preference \$1,000 per share, (the “*Stock*”), of The Charles Schwab Corporation, a Delaware corporation (the “*Corporation*”), on deposit with the Depository, subject to the terms and entitled to the benefits of the Deposit Agreement dated as of June 6, 2012 (the “*Deposit Agreement*”), among the Corporation, the Depository and the holders from time to time of the Depository Receipts. By accepting this Depository Receipt, the holder hereof becomes a party to and agrees to be bound by all the terms and conditions of the Deposit Agreement. This Depository Receipt shall not be valid or obligatory for any purpose or entitled to any benefits under the Deposit Agreement unless it shall have been executed by the Depository by the manual signature of a duly authorized officer or, if executed in facsimile by the Depository, countersigned by a Registrar in respect of the Depository Receipts by the manual signature of a duly authorized officer thereof.

This Depository Receipt is transferable in New York, New York and Saint Paul, Minnesota.

Dated: _____

Wells Fargo Bank, N.A., Depository

By: _____
Authorized Officer

[FORM OF REVERSE OF RECEIPT]

THE CHARLES SCHWAB CORPORATION

THE CHARLES SCHWAB CORPORATION WILL FURNISH WITHOUT CHARGE TO EACH HOLDER OF A RECEIPT WHO SO REQUESTS A COPY OF THE DEPOSIT AGREEMENT AND A COPY OR SUMMARY OF THE CERTIFICATE OF DESIGNATIONS ESTABLISHING THE 6.00% NON-CUMULATIVE PERPETUAL PREFERRED STOCK, SERIES B, OF THE CHARLES SCHWAB CORPORATION. ANY SUCH REQUEST IS TO BE ADDRESSED TO THE DEPOSITARY NAMED ON THE FACE OF THIS RECEIPT.

The Corporation will furnish without charge to each holder of a receipt who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof of the Corporation, and the qualifications, limitations or restrictions of such preferences and/or rights. Such request may be made to the Corporation or to the Registrar.

EXPLANATION OF ABBREVIATIONS

The following abbreviations when used in the form of ownership on the face of this certificate shall be construed as though they were written out in full according to applicable laws or regulations. Abbreviations in addition to those appearing below may be used.

Abbreviation	Equivalent Phrase	Abbreviation	Equivalent Phrase
JT TEN	As joint tenants, with right of survivorship and not as tenants in common	TEN BY ENT	As tenants by the entireties
TEN IN COM	As tenants in common	UNIF GIFT MIN ACT	Uniform Gifts to Minors Act

Abbreviation	Equivalent Word	Abbreviation	Equivalent Word	Abbreviation	Equivalent Word
ADM	Administrator(s), Administratrix	EX	Executor(s), Executrix	PAR	Paragraph
AGMT	Agreement	FBO	For the benefit of	PL	Public Law
ART	Article	FDN	Foundation	TR	(As) trustee(s), for, of
CH	Chapter	GDN	Guardian(s)	U	Under
CUST	Custodian for	GDNSHP	Guardianship	UA	Under agreement
DEC	Declaration	MIN	Minor(s)	UW	Under will of, Of will of, Under last will & testament
EST	Estate, of Estate of				

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE
PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE

Depository Shares represented by the within Receipt, and do(es) hereby irrevocably constitute and appoint
_____ Attorney to transfer the said
Depository Shares on the books of the within named Depository with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to the assignment must correspond with the name as written upon the face of this Receipt in every particular, without alteration or enlargement or any change whatsoever.

SIGNATURE GUARANTEED

NOTICE: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations, and credit unions with membership in an approved signature guarantee medallion program), pursuant to Rule 17Ad-15 under the Securities Exchange Act of 1934.

Exhibit B

[Certificate of Designations]

[Included in Exhibit 3.1]

June 6, 2012

The Charles Schwab Corporation
211 Main Street
San Francisco, CA 94105

Re: **Underwritten Public Offering of 17,000,000 Depositary Shares, Each Representing a 1/40th Interest in a Share of 6.00% Non-Cumulative Perpetual Preferred Stock, Series B of The Charles Schwab Corporation**

Ladies and Gentlemen:

This letter is being furnished to you in connection with the sale by The Charles Schwab Corporation, a Delaware corporation (the "**Company**"), of 17,000,000 depositary shares (the "**Depositary Shares**"), each representing a 1/40th interest in a share of the 6.00% Non-Cumulative Perpetual Preferred Stock, Series B of the Company (the "**Series B Preferred Stock**," and together with the Depositary Shares, the "**Securities**") pursuant to that certain Underwriting Agreement dated as of May 30, 2012, by and among the Company and the several Underwriters named in Schedule A thereto (the "**Underwriting Agreement**"). The Depositary Shares will be evidenced by depositary receipts (the "**Depositary Receipts**") issued by Wells Fargo Bank, National Association (the "**Depositary**") pursuant to that certain Deposit Agreement dated June 6, 2012 (the "**Deposit Agreement**") by and among the Company, the Depositary and the holders from time to time of the Depositary Receipts. The issuance and sale of the Depositary Shares will be made under the Company's registration statement on Form S-3 (No. 333-178525), originally filed with the Securities and Exchange Commission (the "**Commission**") on December 15, 2011, as amended and supplemented through the date hereof (the "**Registration Statement**").

In connection with this opinion, we have examined the following documents: (i) the Registration Statement; (ii) the Company's Fifth Restated Certificate of Incorporation, filed with the Secretary of State of Delaware on May 7, 2001, as amended by the Certificate of Designations of Fixed to Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A filed with the Secretary of State of the State of Delaware on January 24, 2012; (iii) the Company's Fourth Restated Bylaws dated December 12, 2007, as amended on July 28, 2009 and January 27, 2010; (iv) the Underwriting Agreement; (v) the Deposit Agreement; (vi) resolutions of the Board of Directors of the Company adopted on December 14, 2011 and May 17, 2012, and resolutions of the Pricing Committee of the Board of Directors adopted on May 30, 2012; (vii) the Certificate of Designations of the Series B Preferred Stock, filed with the Secretary of State of Delaware on May 31, 2012; (viii) the minute books of the Company provided to us by one or more officers of the Company; (ix) the executed stock certificate evidencing the shares of Series B Preferred Stock deposited with the Depositary; (x) the executed global depositary receipt evidencing the Depositary Shares (the "**Global Depositary Receipt**"); (xi) the written order of the Company pursuant to the Deposit Agreement, directing the Depositary to execute and deliver the Global Depositary Receipt; (xii) one or more certificates of one or more officers

of the Company; (xiii) one or more certificates of one or more officers of the Depositary; and (xiv) one or more certificates of one or more public officials.

In rendering our opinion, we have assumed the legal capacity of individuals, that the signatures on all documents not executed in our presence are genuine, that all documents submitted to us as originals are authentic, that all documents submitted to us as reproduced or certified copies conform to the original documents, that all corporate records of the Company provided to us for review are accurate and complete, that each party to the documents referred to above (other than the Company) is duly qualified to engage in the transactions contemplated by such documents and has the requisite power and authority to perform its obligations thereunder, that each document referred to above has been duly authorized by, and constitutes the valid and binding obligation of, each party thereto (other than the Company), enforceable against such party (other than the Company) in accordance with its terms, and that each person or entity that has any right to enforce any document referred to above against the Company has filed any tax returns and paid any taxes required under the laws of the State of California. We have further assumed the due execution and delivery of all documents, where due execution and delivery are prerequisites to the enforceability thereof.

As to matters of fact material to our opinion, we have relied solely upon our review of the documents referred to above. We have assumed that the recitals of fact set forth in such documents are true, complete and correct on the date hereof. We have not independently verified any factual matters or the validity of any assumptions made by us in this letter and express no opinion with respect to such factual matters and disclaim any implication or inference as to the reasonableness of any such assumption. In rendering this opinion, we have considered only the Delaware General Corporation Law (including the statutory provisions and reported judicial decisions interpreting these laws) and those laws, statutes, rules and regulations of the State of New York (exclusive of municipal and other local laws) presently in effect that, in our experience, are normally applicable to transactions of the kind contemplated by the documents referred to above, and we express no opinion with respect to choice of law or conflicts of law. We express no opinion whatsoever as to the compliance or noncompliance by any person with antifraud or information delivery provisions of state or federal laws, rules and regulations, and no inference regarding such compliance or noncompliance may be drawn from any opinion in this letter.

Based upon the foregoing, and subject to the qualifications, limitations and exceptions set forth herein, and assuming, without expressing any opinion with respect thereto, that the Securities have been issued, sold and delivered against payment of the purchase price therefor in accordance with the terms of the Underwriting Agreement and the Deposit Agreement, we are of the opinion that the Depositary Shares are validly issued, fully paid and nonassessable, and that the holders of the Depositary Shares are entitled to the rights specified in the Deposit Agreement and the Global Depositary Receipt.

Our opinion above, insofar as it relates to the rights of the holders of the Depositary Shares, is subject to the following:

(1) Such opinion is subject to general principles of equity (regardless of whether considered in a proceeding in equity or at law) and to the effect of any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws. In addition, the availability of specific performance, injunctive relief, the appointment of a receiver and other equitable remedies is subject to the discretion of the tribunal before which any proceeding therefor may be brought.

(2) Notwithstanding any language of the Deposit Agreement to the contrary, indemnification of any party thereunder may be limited to recovery of only reasonable expenses, including, without limitation, reasonable attorneys' fees and legal expenses. Such opinion, insofar as it relates to the enforceability of indemnification provisions set forth in the Deposit Agreement, is subject to laws and judicial decisions rendering unenforceable indemnification contrary to federal and state securities laws and the public policies underlying such laws, and laws limiting the enforceability of provisions exculpating or exempting a party, or requiring indemnification of a party for, liability for its own action or inaction, to the extent the action involves negligence, recklessness, willful misconduct or unlawful conduct.

(3) We express no opinion as to the enforceability of provisions of the Deposit Agreement to the extent they contain:

- a. waivers by the Company of any statutory or constitutional rights or remedies;
- b. grants by the Company of powers of attorney;
- c. cumulative remedies strictly to the extent such cumulative remedies purport to compensate, or would have the effect of compensating, the party entitled to the benefits thereof in an amount in excess of the actual loss suffered by such party; or
- d. terms to the effect that provisions in the Deposit Agreement may not be waived or modified except in writing, which may not be enforceable under certain circumstances.

(4) We express no opinion as to whether courts other than state or federal courts in the State of New York would give effect to the choice of New York law governing the Deposit Agreement.

(5) Insofar as such opinion relates to the provisions of the Deposit Agreement regarding jurisdiction, service of process and venue (and the defense of an inconvenient forum), such opinion is limited to jurisdiction and service of process in respect of any action arising out of or based upon the Deposit Agreement brought, or sought to be brought, in any New York State or U.S. federal court in The City of New York. We express no opinion as to the subject matter jurisdiction of any federal court of the United States of America over any action between two parties neither of which is a "citizen" of any State for the purposes of 28 U.S.C. § 1332.

Notwithstanding anything in this letter to the contrary, the opinion set forth above is given only as of the date hereof and is expressly limited to the matters stated. No opinion is implied or may be inferred beyond what is explicitly stated in this letter. We disclaim any obligation to update the opinion rendered herein and express no opinion as to the effect of events occurring, circumstances arising, or changes of law becoming effective or occurring, after the date hereof on the matters addressed in this opinion letter, and we assume no responsibility to inform you of additional or changed facts, or changes in law, of which we may become aware.

We consent to the filing of this opinion as an exhibit to a Current Report on Form 8-K for incorporation by reference into the Registration Statement, to the use of our name therein and in the Registration Statement (including the related prospectus supplement) under the caption "Legal Matters," and to the discussion of this opinion under such caption. By giving such consent, we do not hereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Commission.

Very truly yours,

ARNOLD & PORTER LLP

By: /s/ Teresa L. Johnson
Teresa L. Johnson