The Charles Schwab Corporation

Risk Committee Charter

Purpose

The Risk Committee (the "Committee") of the Board of Directors (the "Board") assists the Board of The Charles Schwab Corporation (the "Corporation") and other committees of the Board in fulfilling its responsibilities to set the types and levels of risk the Corporation is willing to take, and support the independence and stature of independent risk management, including:

(i) reviewing overall risk governance and approving the enterprise-wide risk management framework to identify, measure, monitor and control the major types of risk posed by the business of the Corporation;

(ii) reviewing the performance and activities of the Corporation's independent risk management function; and

(iii) reviewing and approving key policies with respect to oversight of significant risks, including capital, compliance, credit, liquidity, market, model, third-party, interest rate, information security, data, reputational, strategic, and operational risk.

The Committee assists the Board and other committees of the Board to oversee and hold senior management accountable for implementing the Board's approved risk tolerance, maintaining the Corporation's risk management and control program, and managing the Corporation's activities in a safe and sound manner, and in compliance with applicable laws and regulations.

Composition and Membership

The Board appoints the Chair and members of the Committee on the recommendation of the Nominating and Corporate Governance Committee. The Committee shall consist of at least three directors. The Chair of the Committee shall be a non-employee director whom the Board determines to be independent in accordance with Securities and Exchange Commission, New York Stock Exchange and Federal Reserve rules, and other applicable regulations. All members of the Committee shall have an understanding of risk management principles and practices relevant to the Corporation. At least one member shall have experience in identifying, assessing, and managing the risk exposure of large, complex financial firms, as determined by the Board, which determination by the Board shall be documented. The Board may remove a member from the Committee at any time.

Authority

The Committee shall have the sole authority to retain and terminate special legal counsel or other consultants to advise the Committee and the authority to approve their fees and other retention terms. The Committee shall meet separately in executive session with the Chief Risk Officer and any other members of management as it deems appropriate to satisfy its oversight responsibilities. The Committee may request any officer or employee of the Corporation or its outside counsel or consultants to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Meetings

There shall be not less than four regular meetings each year, and additional meetings may be held as circumstances warrant. A majority of members of the Committee shall constitute a quorum. The action of a majority of members at a meeting at which a quorum is present shall be the action of the Committee.

Responsibilities

Responsibilities of the Committee include, but are not limited to, the following:

Oversight of Overall Risk Governance Framework

1. Review and discuss with management the Corporation's risk governance structure and approve the Corporation's enterprise-wide risk management framework, including the strategies, policies, and systems established by management to identify, measure, monitor and control the major risks facing the Corporation.
2. Review and approve any significant changes to the enterprise-wide risk management framework and monitor compliance with the framework.
3. Review and discuss management's assessment of the Corporation's aggregate enterprise-wide risk profile and the effectiveness of the enterprise-wide risk management framework, including risk limits, key metrics, and breaches or exceptions to risk limits.
4. Review and approve the Corporation's risk appetite statements on an annual basis. Review and approve key risk appetite metrics with associated risk limits and risk tolerance limits on an annual basis, consistent with the Corporation's strategic objectives and changes in business and market conditions.

Oversight of Independent Risk Management

5. Support the stature and independence of independent risk management by, among other actions, providing independent risk management (including Compliance) direct and unrestricted access to the Committee, and ensuring that independent risk management has the skills and resources to fulfill its responsibilities. Review and assess the activities, performance and independence of independent risk management.
6. Review the appointment, performance, and any replacement of the Corporation's Chief Risk Officer. Review succession planning for the Chief Risk Officer. Review compensation recommended for the Chief Risk Officer in consultation with the Compensation Committee. The Chief Risk Officer shall report directly to the Committee and to the Chief Executive Officer.
7. Review independent risk management's budget, staffing, systems, and any necessary alignment between the Corporation's strategy and risk tolerance and the Corporation's structure, risk profile, complexity, activities and size.

Oversight of Liquidity and Market Risk and Capital Adequacy Assessment

8. Review the Corporation's capital, liquidity and funding, including regulatory capital ratios, and receive quarterly reports on the assessment of internal capital adequacy.

9. Review and discuss with management the capital stress testing program, including material risks and exposures to inform capital adequacy and actions. Approve scenarios and risk events developed by management for the capital stress testing program.

10. Review reports from management regarding the effectiveness of liquidity risk management policies and controls.

11. Review reports from management on interest rate risk activities, risk profile, and management of interest rate risk.

Oversight of Credit, Compliance, Operational, and Other Key Risks

12. Review reports from management regarding asset quality and the effectiveness and administration of credit-related policies.

13. Review compliance with significant regulatory obligations arising under applicable laws, rules and regulations, including fiduciary risk, privacy risk, and the maintenance of a corporate culture that emphasizes the importance of compliance with laws and regulations and consumer protection. Review significant regulatory matters, including inquiries, examinations, or terms and conditions required by any federal or state banking or securities regulatory agency or authority and any responses of management.

14. Review the program for compliance with and managing risk pertaining to rules concerning financial crimes, including Bank Secrecy, anti-money-laundering, anti- fraud, anti-bribery and Office of Foreign Assets Control rules.

15. Review and approve reporting guidelines to reflect the Committee's responsibility for overseeing conduct risk, as may be evidenced by internal complaints, customer complaints, and Code of Business Conduct and Ethics violations, including guidelines for the Corporate Responsibility Officer's reporting to the Committee.

16. Review reports from the Corporate Responsibility Officer regarding metrics and trends associated with conduct risk, such as internal complaint investigations and submissions including violations of securities laws and the Code of Business Conduct and Ethics.

17. Review reports from the Global Risk Committee, Legal, Internal Audit, and Corporate Risk Management including Compliance relating to risk issues and management's responses to such reports.

18. Review operational risk management policies, programs, and controls, and the effectiveness of management in controlling risk, including:

    - Data risk;
    - Fraud risk;
    - Information technology risk;
    - Information security risk;
    - Model risk;
    - Operational resilience risk;

- Third-party risk; and,
- Corporate insurance.

19. Review and discuss the Corporation's strategic risk and reputational impact due to capital, compliance, credit, liquidity, market, and operational risk exposures.

Oversight of Key Risk Policies

20. Review and approve, on an annual basis, key policies with respect to oversight of significant risks, including capital, compliance, credit, liquidity, market, model, third- party, interest rate, information security, data, reputational, strategic, and operational risk.
21. Designate policies as key risk policies for approval by the Committee, the Board, or another committee of the Board. Periodically review and approve changes to key risk policies to be approved by the Committee.

General Responsibilities

22. Report to the Audit Committee on the activities and actions of the Committee and escalate to the Audit Committee for discussion at a joint session with the Audit Committee any items that may have significant financial statement impact or require significant financial statement/regulatory disclosures, and any other significant issues within the purview of the Audit Committee.
23. Report the Committee's activities and significant decisions to the full board on a regular basis.
24. Form and delegate authority to subcommittees when appropriate.
25. Review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.
26. Review the training report provided to the Committee, including the types of risks inherent in the Corporation's activities and industry perspectives on risks as financial markets, risk management practices, and the Corporation's business evolves. Recommend additional training or changes to the training program, as appropriate.
27. Conduct an annual performance evaluation of the Committee and report the results of the evaluation to the Nominating and Corporate Governance Committee or the full Board.

Last amended: October 2024
Last reviewed: October 2026