Statement on Public Policy and Political Participation

As a financial services firm, The Charles Schwab Corporation (the “Firm”) is subject to substantial regulation of its business. Changes in laws, rules and regulations may pose risks to the Firm and its performance. The Firm believes that it is in the best interests of the Firm, its employees clients and stockholders to be engaged in discussions concerning the effectiveness of current and proposed regulations and in other public policy and rulemaking activity that might affect its business. The Firm is also subject to rules and regulations that limit, prohibit, or require reporting of certain political contributions made by the Firm or its employees. The Firm intends to comply fully with such laws and regulations.

Employee Political Participation and Contributions

The Firm respects the right of its employees individually to participate in the political process. Employees may participate in the political process or make political contributions from personal funds subject to applicable law. Due to the nature of certain job responsibilities (e.g., investment advisory roles that may have business with public funds), some employees may not make political contributions without first obtaining pre-clearance for the contribution.

Employees may not engage in the following without first obtaining the approval of the Office of Legislative and Regulatory Affairs and the employee’s Executive Vice President:

- Participate in an advisory role to an elected official or to a local, state or national governmental advisory board, and
- Make a local or state contribution with corporate funds.

Under no circumstances shall employees engage in any of the following:

- Use Firm resources to make contributions to federal candidates or their committees or to political action committees supporting or opposing federal candidates,
- Request reimbursement from the Firm for political contributions made from the employee’s personal funds,
- Coerce Firm personnel to engage in political activities of any kind, and
- Permit campaign appearances on corporate premises by candidates for federal, state or local office.

Corporate Funds and Lobbying Activities

Under federal law, the Firm is prohibited from making contributions with corporate funds to candidates for federal office or national party committees. The Firm reports its lobbying activities and expenses and registers employees who engage in lobbying activities in accordance with federal law. Lobbying activities and employees who engage in lobbying activities must be approved and overseen by the Firm’s Office of Legislative Affairs.
and Regulatory Affairs. Lobbying activities are reviewed by the Audit Committee of the Board of Directors annually.

The Firm may make contributions with corporate funds to local organizations that are organized as political action committees and benefit the communities in which the company does business. Such contributions are overseen by the Office of Legislative and Regulatory Affairs and reviewed by the Audit Committee of the Board of Directors annually. These corporate contributions are subject to public reporting in accordance with applicable law.

**Political Action Committee**

The Firm has discontinued its political action committee.