Purpose

The Committee is responsible for assisting the Board of Directors (Board) in its oversight responsibilities relating to the Company’s management of enterprise-wide risk and related matters. To that end, and except to the extent subject to the purview of another committee of the Board pursuant to that committee’s charter, the Committee’s only responsibilities shall be those related to: (i) the Company’s enterprise-wide risk management framework; (ii) the policies and procedures established by management to identify, assess, measure and manage key risks facing the Company, including credit risk, compliance risk, operational risk, including, but not limited to conduct risk, market risk, model risk, asset-liability management risk, liquidity risk, country risk, strategic and business risk, reputational risk and environmental, social and governance risk, including, but not limited to, climate change risk; and (iii) capital management, liquidity planning, and resolution planning, as the Board has determined that such activities are inherently related to the Company’s management of risk.

The Committee’s role is one of oversight, recognizing that the Company’s management is responsible for assessing and managing the Company’s risks. The Company’s management is responsible for designing, implementing and maintaining an effective and appropriate enterprise-wide risk management program, which is overseen by the Committee in accordance with its responsibilities and powers set forth in this charter. The Company’s management is also responsible for providing appropriate reporting and information that will allow the Committee to perform its oversight role effectively.

Organization and Administration

The Committee shall be comprised of at least three directors, each of whom shall qualify as independent directors under the New York Stock Exchange listing standards. The chairperson of the Committee shall meet the independence requirements set forth in the enhanced prudential standards, as adopted by the Board of Governors of the Federal Reserve System (Federal Reserve). The members of the Committee shall have an understanding of risk management principles and practices relevant to the Company and satisfy any regulatory or legal requirements regarding experience, expertise or other qualifications that are applicable to the Committee, including that the Committee include at least one director with risk management experience in identifying, assessing, and managing risk exposures of large, complex financial firms. Such experience shall be commensurate with the Company’s capital structure, risk profile, complexity, activities, size, and other appropriate risk-related factors. The members of the Committee and its Chair shall be appointed by the Board, and may be removed by the Board at any time, with or without cause. The Committee may, in its discretion, delegate all or a portion of its responsibilities to a subcommittee of the Committee.
The Committee shall meet at least quarterly, or more frequently as the Committee may deem circumstances require, and shall make regular reports to the Board on the Committee’s activities, including regarding significant risk-management matters. At least one-third of the members (but not less than two) of the Committee shall constitute a quorum for the transaction of business at a meeting. The vote of a majority of the members present at the time of the vote, if a quorum is present at such time, shall be the act of the Committee. Meetings of the Committee may be held in person or virtually. The Company’s Chief Risk Officer has express authority to communicate directly at any time with the Chair of the Committee about any significant risk matter involving the Company, and the Chair shall have direct access to the Chief Risk Officer regarding such matters.

The Committee shall have the resources and authority appropriate to fulfill its duties and responsibilities, including those specified in this charter and those otherwise required by applicable law and regulation. The Committee is empowered to conduct its own investigations into issues related to its responsibilities and to retain independent legal, accounting or other advisors to advise the Committee. The Company shall provide for appropriate funding, as determined by the Committee in its capacity as a committee of the Board, for payment of compensation to any advisors employed by the Committee and for administrative expenses of the Committee.

The Committee shall conduct an annual performance evaluation of the Committee and shall review its charter annually and recommend any proposed changes to the Nominating, Governance and Public Responsibility Committee and the Board for review and approval.

Responsibilities

In carrying out its oversight responsibilities, the Committee shall:

Risk Management Framework and Governance

- Review and approve the Company’s Enterprise-wide Risk Management Policy, including the Risk Appetite Framework and roles and responsibilities of the three lines of defense, and other risk management policies, as appropriate.

- Oversee the operation of the Company’s enterprise-wide risk management framework, processes and methodologies, including risk-based capital requirements, stress testing, and risks related to product development and mergers and acquisitions, and require management to take reasonable steps to ensure that such risk management framework, processes and methodologies satisfy all regulatory requirements and are appropriate for the Company in light of its capital structure, business strategy, risk appetite, risk profile, complexity, culture, activities, size and other appropriate risk-related factors.

- Review and concur with the appointment and any replacement, performance, structural position, and compensation of the Chief Risk Officer.

- Evaluate the independence and authority of the Company’s risk management functions.
Risk Management Oversight

- Review and approve enterprise-level risk management objectives and monitor management’s execution of such objectives.

- Review management’s reports on risk management processes, methodologies, controls and capabilities, and, as appropriate, approve the policies, processes and systems established by management to manage the risk profile of the Company in a manner consistent with the Risk Appetite Framework.

- Review with the Chief Risk Officer the adequacy of resources of the Company’s risk management functions.

- Oversee conduct risk as a component of Operational Risk, including, but not limited to, receiving updates and reports from management on the state of conduct risk at the Company.

- Perform such other duties and functions required of the Committee pursuant to the enhanced prudential standards, as adopted by the Federal Reserve from time to time, that are applicable to the Company, and review and, as appropriate, approve matters relevant to the Committee’s oversight of the Company’s liquidity risk management process pursuant to such enhanced prudential standards.

- Review and approve the Company’s Contingency Funding Plan at least annually and any material revisions thereto.

Risk Monitoring and Risk Tolerance

- Review the Company’s risk profile against its tolerances specified in the Risk Appetite Framework, including significant risk exposures, risk trends in the Company’s portfolios and major risk concentrations, and the steps management has taken to monitor, control and report such risk exposures, trends and concentrations.

- Monitor the quality and effectiveness of the Company’s information technology security, and periodically review, appraise and discuss with management the quality and effectiveness of the Company’s information technology security, data privacy, disaster recovery capabilities and cybersecurity and related risks.

- Review, approve and monitor risk management actions for cases escalated to the Committee.

Capital Management

- Oversee the Company’s capital adequacy, capital management activities and enterprise-wide stress testing framework.

- Review and approve the Company’s Capital Management Policy, Internal Capital Adequacy Assessment Process and Annual Capital Plan, including planned capital actions, as part of the Comprehensive Capital Analysis and Review regulatory submission.
• Review with management the Company’s (i) capital levels and allocations of capital; (ii) funding activities; and (iii) external dividend policy and repurchases of common shares.

• Review with management and in advance, where practical, the risk-related aspects of major divestitures and acquisitions, major capital commitments, major borrowings and proposed issuances of equity and non-routine debt securities, whether privately or publicly distributed.

• Review management’s investment of the Company’s funds, review the parameters of the various portfolios and investment activities and consider management’s strategies in view of expectations as to general economic and market conditions.

Other

• Receive and review regular reports on not less than a quarterly basis from the Company’s Chief Risk Officer, who, as appropriate, shall be available for Committee meetings at which such reports are discussed. The Committee shall also receive and review regular reports from other members of senior management regarding matters within the purview of the Committee. As determined by the Committee, the Committee shall regularly meet with the Company’s Chief Risk Officer, as well as with other members of senior management, in executive sessions, and have such other direct and independent interaction with such persons from time to time as the members of the Committee deem necessary or desirable. Members of senior management shall provide the Committee with any information it requests relating to its responsibilities.

• Receive and discuss reports from management concerning enterprise risk management regulatory examination reports and management’s responses thereto.

• The Committee (which may act through the Chair or other member of the Committee) shall share information and liaise with other committees of the Board, including the Audit and Compliance Committee and the Compensation and Benefits Committee, or members of management, including the Chief Audit Executive and the Global Chief Compliance Officer, as necessary or desirable to permit those committees and this Committee to carry out their statutory, regulatory, and other responsibilities.

• Consider such other matters and perform such other actions as the Board or Committee, deems necessary or desirable in relation to the Committee’s risk-management oversight function described in the purpose section of this charter.