

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

THE CHARLES SCHWAB CORPORATION

PURPOSE

The Nominating and Corporate Governance Committee (“Committee”) of the Board of Directors (“Board”) assists the Board in fulfilling its oversight responsibilities by (1) identifying individuals qualified to serve on the Board; (2) recommending nominees to fill vacancies on the Board and each Board committee and recommending a slate of nominees for election or reelection as directors by the corporation’s stockholders at the annual meeting to fill the seats of directors whose terms are expiring; (3) leading the Board in its annual review of the Board’s performance; and (4) developing corporate governance principles, policies and procedures and recommending their adoption by the Board.

COMPOSITION AND MEMBERSHIP

The Board appoints the members and Chairman of the Committee. The Committee shall be composed solely of non-employee directors whom the Board determines to be independent in accordance with Securities and Exchange Commission, New York Stock Exchange and NASDAQ Stock Market rules. The Board may remove a member from the Committee at any time with or without cause.

AUTHORITY

The Committee shall have the sole authority to retain and terminate special legal counsel, search firms used to identify director candidates or other consultants to advise the Committee and the authority to approve their fees and other retention terms. 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 two 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 will be the action of the Committee.

RESPONSIBILITIES

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

1. Review, at least annually, the structure of the Board to assure that the proper skills and experience are represented on the Board. The Board shall be composed of a majority of independent directors.
2. Identify and evaluate qualified candidates to recommend for selection as directors, including nominees identified by other Board members.
3. Recommend to the Board nominees to fill vacancies as they occur on the Board and each Board committee and recommend to the Board a slate of nominees for election or reelection as directors by the corporation's stockholders at the annual meeting to fill seats of directors whose terms are expiring.
4. Review and make recommendations regarding the responsibilities of Board committees and the composition of Board committees in light of those responsibilities, including the qualifications, appointment and removal of committee members .
5. Review the committee structure of the Board and committee operations, authorities delegated to committees, including authority to delegate to subcommittees, and committee reporting to the Board, and recommend any changes to the Board.
6. Review and make recommendations regarding the appropriate size of the Board.
7. Develop for adoption by the Board corporate governance principles and, from time to time as may be reasonably necessary or advisable, corporate governance policies, procedures and requirements. Annually review and assess corporate governance principles applicable to the corporation and recommend any changes to the Board for approval.
8. Receive comments from all directors and report annually to the Board with an assessment of the performance of the Board and its committees and an evaluation of management, to be discussed with the full Board following the end of each fiscal year.
9. Make recommendations regarding, and assist the Board in, succession planning for the Chief Executive Officer and executive management, including developing policies for succession in an emergency or retirement of the CEO.
10. Form and delegate authority to subcommittees when appropriate.
11. Update the Board on the Committee's activities and significant decisions.
12. Review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.
13. Conduct an annual performance evaluation of the Committee.

GUIDELINES FOR EVALUATING DIRECTOR NOMINEES

To discharge its duties in identifying and evaluating directors for selection to the Board and its committees, the Committee shall evaluate the overall composition of the Board as well as the qualifications of each candidate. In its evaluation process, the Committee shall take into account the following guidelines:

1. Decisions for nominating candidates shall be based on merit, qualifications, performance, competency, and the corporation's business needs and shall comply with the corporation's anti-discrimination policies and federal, state and local laws.
2. A majority of the entire Board shall be composed of independent directors.
3. The composition of the entire Board shall be taken into account when evaluating individual directors, including: the diversity of experience and background represented on the Board; the need for financial, business, academic, public and other expertise on the Board and its committees; and the desire for directors working cooperatively to represent the best interests of the corporation, its stockholders and employees.
4. Candidates shall be individuals of the highest character and integrity and who possess significant experience or skills that will benefit the corporation and assist in discharging their duties as directors.
5. Candidates shall be free of conflicts of interest that would interfere with their ability to discharge their duties as a director or would violate any applicable law or regulation.
6. Candidates shall be willing and able to devote the time necessary to discharge their duties as a director and shall have the desire to represent and evaluate the interests of the corporation as a whole.
7. Any other criteria as determined by the Committee.

Last Amended: January 27, 2005