

1745 Copperleaf Ct
Concord, CA 94519
October 6, 2023

via post mail & email

Corporate Secretary

schwabcorporatesecretary@schwab.com

investor.relations@schwab.com

The Charles Schwab Corporation

3000 Schwab Way

Westlake, TX 76262

Re: Shareholder Proposal 2024

Dear Secretary:

Enclosed please find my shareholder proposal for inclusion in our proxy materials for the 2024 annual meeting of shareholders and a letter confirming my shares. I will continuously hold these shares through the 2024 annual meeting.

I encourage you to engage with shareholders on these important policy issues. Please set up an email account to receive shareholder's proposals for fast and secure communications, as the SEC and most companies do. I am available to discuss with you at 8am-5pm (Pacific time) October 18-20 and other dates beyond the above period. Please use my email zhao.cpri@gmail.com to contact me to decide a specific time and date to meet.

Yours truly,

A handwritten signature in black ink that reads "Jing Zhao". The signature is written in a cursive, flowing style.

Jing Zhao

Enclosure: Stockholder proposal

Letter of shares

Shareholder Proposal to Improve Executive Compensation Program

Resolved: shareholders recommend that the Charles Schwab Corporation (the Company) improve the executive compensation program to include the CEO pay ratio factor.

Supporting Statement

The Company's CEO compensation jumped irregularly, irrationally, and unreasonably from \$15,959,193 in 2020 to \$21,938,404 in 2021 (+37.5%), to \$24,386,329 in 2022 (+11.2%) (2023 Proxy Statement p.54). The CEO pay ratio was 210:1 in 2022 (2023 Proxy Statement p.67). As I am writing the proposal today, the stock price dropped from \$80.90 on October 11, 2021 to \$74.31 on October 7, 2022 (-8.1%), to \$51.52 on October 6, 2023 (-30.7%).

America's ballooning executive compensation is not sustainable for the economy, and there is no rational methodology or program to decide the executive compensation, particularly because there is no consideration of the CEO pay ratio factor (2023 Proxy Statement pp.36-71). The increase of disparity of income has a direct negative impact on American social instability. For example, one article from Politico.com 09/16/2023 "No defensible argument': Anger boils over at CEO pay" stated: "The historic UAW strike puts an exclamation point on more than a decade of efforts ... to narrow the pay gap between top executives and workers. ... And between 1978 and 2021, executive compensation at large American companies increased by more than 1,400 percent."

The public gives the board a free hand to run the corporate business so there is no organized union in big financial companies, there is no employee representation on board, and the board is nominated without any competition (the number of candidates is the same number of board seats). Adam Smith said: "Wealth, as Mr Hobbes says, is power." America has a long history to check and balance power. Shareholders in JPMorgan Chase & Co., Intel, Netflix and other big companies rejected sky-high executive pay packages in 2022 and 2023.

The CEO pay ratios of big Japanese and European companies are much less than of big American companies. As a policy recommendation, the Company may refer to Aristotle's Politiká/Politics, in which he concluded that in a stable polis community, the disparity of land ownership should not be more than 5 times. The Company has the flexibility to reform the Compensation Committee to improve the executive compensation program, such as to include the CEO pay ratio factor.