

T. Rowe Price Group, Inc.

Enterprise Risk Management Program

For External Use

Risk Philosophy

T. Rowe Price's risk philosophy centers on the belief that intelligent, informed, and risk-aware decision-making is an essential part of our business; risks must be actively identified and managed within our established risk tolerance levels. The T. Rowe Price Management Committee empowers management to assume risks, when appropriate, measured against anticipated returns. Both assumed risk and anticipated reward must align with the firm's strategic objectives, our risk tolerance, and our fiduciary duty to safeguard our clients' investments.

Risk Management Approach

We place our clients' interests first in all that we do, so they can invest confidently toward their financial futures. To ensure our ongoing ability to serve our clients, we maintain a comprehensive enterprise risk management program to identify, assess, and monitor risks and provide independent risk oversight throughout the organization. Our Chief Risk Officer (CRO) manages the Enterprise Risk Group (ERG) and serves on the Risk and Operational Steering Committee (ROSC) which is made up of senior business leaders from across the firm. The CRO and ROSC set the firm's risk management strategy and oversee risk efforts on behalf of the firm, Board of Directors and our Management Committee.

As head of the Enterprise Risk Group (ERG), the CRO is primarily responsible, with support from the ROSC, for anticipating and addressing new risks, as well as ensuring the proper handling of risk across the firm. He reports to the firm's Chief Financial Officer and regularly reports to the CEO and the T. Rowe Price Group Board of Directors.

The ERG is an independent, global team with seasoned experts specializing in the following areas:

- Enterprise Risk
- Business Risk
- Investment Risk
- Fraud, AML & Privacy
- Business Resiliency

Three lines of defense

Our enterprise risk management program is designed with three lines of defense to ensure effective identification, assessment and management of risk:

- Business unit leaders are responsible for overseeing our operations and managing risks specific to their respective business areas.
- ERG and Compliance provide advice, oversight and guidance, along with tools, frameworks and policies for managing risk.
- Internal Audit provides independent assurance that established internal controls are operating effectively and that our risks are adequately mitigated.