



T.RowePrice

T. ROWE PRICE GROUP, INC. ENTERPRISE RISK MANAGEMENT PROGRAM

Risk Philosophy

T. Rowe Price's risk philosophy centers on the belief that intelligent, informed, and risk-aware decision-making is essential to our business. Risks must be actively identified and managed within our established risk appetite. The T. Rowe Price Management Committee empowers management to assume risks, when appropriate, measured against expected returns. Both assumed risk and expected reward must align with the firm's strategic objectives, risk appetite, and 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 continued ability to serve our clients, we maintain a comprehensive enterprise risk management program to identify, assess, and monitor risks, while providing independent oversight across the organization. Our Chief Risk Officer (CRO) leads the Enterprise Risk Management group (ERM) and chairs the Enterprise Risk Management Committee (ERMC), which comprises senior business leaders from across the firm. The CRO and ERMC set the firm's risk management strategy and oversee risk efforts on behalf of the firm, the Board of Directors, and the Management Committee.

As the leader of the ERM group, the CRO is primarily responsible—supported by the ERMC—for anticipating and addressing emerging risks and ensuring proper risk handling across the firm. The CRO reports to the firm's COO and regularly reports to the CEO and the T. Rowe Price Group Board of Directors.

ERM is a global, objective team of seasoned experts specializing in Enterprise and Operational Risk, Investment Risk, Physical Security, Privacy, Risk Enablement, Business Resilience, and Third Party Risk.

Three Lines of Defense

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

- Business unit leaders oversee operations and manage risks specific to their respective areas.
- ERM and Compliance provide oversight, guidance, and tools, along with frameworks and policies for managing risk.
- Internal Audit offers independent assurance that internal controls are functioning effectively and that risks are adequately mitigated.