

E*TRADE Financial Corporation
Related Party Transactions Policy

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E*TRADE FINANCIAL CORPORATION
Related Party Transactions Policy
Effective August 7, 2019 (as amended March 25, 2020)

I. SUMMARY

This Related Party Transactions Policy (the “Policy”) is intended to facilitate the proper approval and reporting of transactions between (i) E*TRADE Financial Corporation (“ETFC”) and all subsidiaries (referred to as “ETFC Subsidiaries”, together with ETFC referred to as “E*TRADE” or the “Company”), and (ii) any Related Parties. Capitalized terms not defined herein shall have the meaning ascribed to them in Appendix A of this Policy.

II. PURPOSE AND SCOPE

E*TRADE recognizes that Related Party Transactions, as defined in section IV.A of this Policy, may present potential or actual conflicts of interest and create the appearance that decisions made by E*TRADE are based on considerations other than the best interests of E*TRADE and its stockholders. It is E*TRADE’s policy to enter into or ratify Related Party Transactions only when ETFC’s Board of Directors (the “Board”), acting through its Governance Committee (the “Governance Committee”) or as otherwise described herein, determines that the Related Party Transaction in question is in, or is not inconsistent with, the best interests of E*TRADE and its stockholders, and is in compliance with E*TRADE’s contractual or other obligations (e.g., any covenants related to its senior debt). Therefore, E*TRADE has adopted this Policy requiring the notification, review, and approval or ratification of Related Party Transactions.

This Policy is intended to supplement, and not to supersede, other policies that may be applicable to or involve transactions with Related Parties, such as policies for determining director independence, E*TRADE’s Code of Professional Conduct, and ETFC’s Transactions with Affiliates Policy.

III. LEGAL / REGULATORY

This Policy makes reference to the following legal/regulatory statutes/guidelines:

- Securities Act of 1933 (the “Securities Act”); and
- Securities Exchange Act of 1934 (the “Exchange Act”).

IV. RELATED PARTY TRANSACTIONS POLICY**A. DEFINITION OF RELATED PARTY TRANSACTIONS**

For the purpose of this Policy, Related Party Transactions are defined as a transaction, arrangement, or relationship (or any series of similar transactions, arrangements, or relationships) where the amount involved exceeds \$120,000, and in which E*TRADE was, is, or will be involved, and in which any Related Party had, has, or will have a direct or indirect material interest; provided that the following types of transactions are deemed not to create or involve a material interest on the part of the Related Party and will not be reviewed, nor will they require approval or ratification, under this Policy:

- i) transactions involving the purchase or sale of products or services in the ordinary course of business, if they are on arms’ length terms, and in accordance with the Company’s policies and all applicable laws, rules, and regulations;
- ii) transactions in which the Related Party’s interest derives solely from his or her service as a director of another corporation or organization that is a party to the transaction;
- iii) transactions in which the Related Party’s interest derives solely from his or her ownership (plus the equity interest of all other Related Parties) of less than 10% of the equity interest in another entity (other than a general partnership interest) which is a party to the transaction;

- iv) transactions in which the Related Party's interest derives solely from his or her ownership of a class of equity securities of E*TRADE, and all holders of that class of equity securities received the same benefit on a pro rata basis;
- v) transactions in which the Related Party's interest derives solely from his or her service as a director, a trustee, or an officer (or similar position) of a not-for-profit organization or charity that receives donations from E*TRADE, which donations are made in accordance with ETFC's Corporate Giving Policy and related procedures;
- vi) compensation arrangements of any Executive Officer, other than an individual who is an Immediate Family Member of a Related Party, if such arrangements have been approved by the Compensation Committee of the Board; and
- vii) Director compensation arrangements, if such arrangements have been approved by the Board or an applicable committee thereof.

B. NOTIFICATION, REVIEW, AND APPROVAL OF RELATED PARTY TRANSACTIONS

Each Director and Executive Officer of ETFC shall complete an annual questionnaire covering them and their Immediate Family Members regarding, among other items, any current, past, and proposed Related Party Transactions. In addition, each Director and Executive Officer of ETFC shall promptly notify ETFC's General Counsel (the "General Counsel") upon becoming aware of any:

- i) transaction that is, or is expected to be, a Related Party Transaction involving a Related Party that has not previously been disclosed to and approved by the Governance Committee; or
- ii) proposed transaction that would be a Related Party Transaction, prior to entering into such transaction involving ETFC or any of its subsidiaries and the Related Party.

If the General Counsel determines that such transaction is a Related Party Transaction, such Related Party Transaction shall be submitted to the Governance Committee for review at the next Governance Committee meeting. The Governance Committee shall consider all of the relevant facts and circumstances available when reviewing such contemplated Related Party Transaction.

No member of the Governance Committee shall participate in any review, consideration, approval, or ratification of any Related Party Transaction with respect to which such member or any of his or her Immediate Family Members is the Related Party.

The Governance Committee shall approve or ratify only those pending or ongoing Related Party Transactions that are in or are not inconsistent with, the best interests of E*TRADE and its stockholders and in compliance with ETFC's contractual or other obligations, as the Governance Committee determines in good faith. If the Governance Committee determines not to approve or ratify a Related Party Transaction, the Related Party Transaction shall not be entered into or shall be terminated if already entered, as the Governance Committee shall direct.

If a Related Party Transaction is completed without first having been approved by the Governance Committee, the Governance Committee shall evaluate the transaction to determine if rescission of the transaction is appropriate, and shall request that the General Counsel evaluate E*TRADE's controls and procedures to ascertain the reason that the transaction was not submitted to the Governance Committee for approval prior to its completion and recommend any appropriate changes to this Policy or related procedures, as applicable. The Governance Committee shall convey its decision to the General Counsel, who shall convey the decision to the appropriate person(s).

C. DISCLOSURE OF RELATED PARTY TRANSACTIONS

Related Party Transactions shall be disclosed in ETFC's filings with the U.S. Securities and Exchange Commission ("SEC") as required by the Securities Act, the Exchange Act, and related SEC rules and regulations. Related Party Transactions may also be disclosed in the regulatory filings, including SEC filings, of certain ETFC subsidiaries, including, but not limited to E*TRADE Securities LLC and E*TRADE Futures LLC.

The material features of this Policy shall be disclosed on E*TRADE's corporate website and in ETFC's annual report on Form 10-K or in ETFC's proxy statement relating to its annual meeting of stockholders, as required by applicable laws, rules, and regulations.

D. EXCEPTIONS TO POLICY

No exceptions to this Policy shall be allowed. Any violation of or non-compliance with this Policy shall be reported to the General Counsel immediately.

APPENDIX A: DEFINITIONS

Director: shall mean a member of the Board of Directors of ETFC.

Executive Officer: shall have the meaning set forth in Rule 3b-7 of the Exchange Act.

Immediate Family Member: any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, or any person sharing the household (other than a tenant or employee) of the Director, Executive Officer, or nominee for Director.

Related Party: shall have the meaning set forth in Item 404 of Regulation S-K of the Exchange Act; summarized below:

- i) any person who is, or at any time since the beginning of ETFC's last fiscal year was, a Director or Executive Officer of ETFC;
- ii) any nominee to become a Director of ETFC;
- iii) any person who is known to be the beneficial owner of more than 5% of any class of ETFC's voting securities;
- iv) any Immediate Family Member of any of the foregoing persons; and
- v) any firm, corporation or other entity in which any of the foregoing persons is employed or is a general partner or principal or in a similar position or in which such person has a 10% or greater beneficial ownership interest.