

**CHARTER OF THE  
CLIMATE-RELATED FINANCIAL RISK ADVISORY COMMITTEE OF THE  
FINANCIAL STABILITY OVERSIGHT COUNCIL**

1. Establishment. The Climate-related Financial Risk Advisory Committee (CFRAC) is established pursuant to section 111(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).
2. Purpose. The purpose of the CFRAC is to assist the Financial Stability Oversight Council (Council) in gathering information on, conducting analysis of, and making recommendations to identify, assess, and mitigate climate-related risks to the financial system, consistent with the Council's purposes and duties under the Dodd-Frank Act.
3. Duties. The duties of the CFRAC are solely advisory and will extend only to the submission of advice and recommendations to the Council's Climate-related Financial Risk Committee (CFRC), which will be non-binding to the CFRC. No determination of fact or policy will be made by the CFRAC. The duties of the CFRAC include:
  - a) identifying information gaps and data inconsistencies, and recommending options for addressing these issues, to support the Council's collection of information pertaining to climate-related risks to the financial system;
  - b) gathering and analyzing information on climate-related risks to the financial system;
  - c) providing advice and recommendations to the CFRC on identifying, assessing, and mitigating climate-related risks to the financial system; and
  - d) performing such other duties that the CFRC, the Council's Deputies Committee (the Deputies Committee), or the Council may assign.
4. Committee Oversight. The CFRAC will report to the CFRC.
5. Members. The CFRAC will consist of up to 30 members. The Office of the Financial Stability Oversight Council (Secretariat) at the Department of the Treasury (Treasury) will seek to ensure that the CFRAC includes members from a diverse variety of stakeholders, which may include climate science experts; non-governmental research institutions; academia; the financial services industry; commercial businesses; consumer, investor, environmental, and labor groups; and other stakeholders as appropriate. The CFRAC may be composed of special government employees and representative members. Members will serve terms of one to three years, as designated by the Secretariat in writing at the time of each member's appointment.
  - a. Selection of Members. Council members and staffs of Council members and Council member agencies may propose candidates for CFRAC membership, from which group the Secretariat will select a slate of proposed members. The Deputies Committee will consider the proposed slate, make any revisions (subject to Secretariat approval), and submit a recommended slate of members to be approved by vote of the Council.

- b. Replacement and Removal of Members. If a member does not complete their term, their organization may nominate another candidate to replace them. The Secretariat will review the nomination and may recommend that the nominee become a member of the CFRAC upon approval by the Deputies Committee. The Council or the Deputies Committee may, by majority vote, remove a member prior to the designated end of the member's term.
6. Observers. The Secretariat may designate federal and state government employees to serve as observers at CFRAC meetings, provided that they are currently employed by a government agency with climate expertise that is not represented by a voting or non-voting member of the Council.
7. CFRAC Chair. The Deputy Assistant Secretary for the Financial Stability Oversight Council at Treasury or person acting in such capacity (Council DAS) will serve as the Chairperson of the CFRAC. If there is no Council DAS, the Executive Director of the Council will serve as the Chairperson of the CFRAC. If there is neither a Council DAS nor an Executive Director of the Council, then the Director of Policy in the Secretariat or person acting in such capacity will serve as Chairperson. The Chairperson will facilitate the conduct of business by the CFRAC and may adopt, in addition to this charter, such rules or procedures, and appoint such officers of the CFRAC, as may be necessary for the conduct of the business of the CFRAC. The Chairperson will be considered a non-voting member of the CFRAC.
8. Administrative Duties. The Secretariat will perform the administrative functions to support the operations and work of the CFRAC. Such functions may include, among others, calling meetings of the CFRAC, preparing meeting agendas, developing work plans for tasks assigned to the CFRAC, distributing materials, coordinating the production of CFRAC work product, maintaining distribution lists for purposes of communications to members and observers on the CFRAC, and retaining custody of all records of the CFRAC. The Secretariat will regularly consult and coordinate with members on the CFRAC in performing these responsibilities.
9. Assigning Activities. The CFRAC will generally assign activities to the CFRAC for purposes of fulfilling its duties, provided that the Council and the Deputies Committee may also assign such activities, and provided further that the CFRAC may also determine, by majority vote, to undertake any tasks within the scope of its duties.
10. Meetings. The CFRAC will meet not less than two times each year, with additional meetings held as the Chairperson, the CFRAC, the Deputies Committee, or the Council may deem appropriate. To the extent practicable, the Secretariat will provide at least two weeks' notice prior to each meeting of the CFRAC, and such notice will include a preliminary agenda for the meeting. Subject to the arrangement of appropriate security measures, participants on the CFRAC may participate in a meeting of the CFRAC through use of videoconference, conference call, telephone, or other communications equipment that allows persons to be heard and to hear others in the meeting. CFRAC meetings will not be public, provided that the Chairperson may determine to hold all or part of a meeting in public for purposes related to the duties of the CFRAC.

11. Committee Action. All decisions of the CFRAC will be made by majority vote of members. Any votes will be recorded in the minutes of the CFRAC.
12. Subcommittees. The CFRAC may establish subcommittees by majority vote of the CFRAC members, with the consent of the Chairperson. Membership of any subcommittees will be determined by the Chairperson.
13. Costs. Any administrative costs of the CFRAC will be paid by the Council. Members will not be compensated for their time or service on the CFRAC. Members may be compensated for reasonable travel expenses incurred in traveling to any CFRAC meetings held in person, in accordance with 5 U.S.C. § 5703.
14. Recordkeeping. Pursuant to section 111(g) of the Dodd-Frank Act (12 U.S.C. § 5321(g)), (a) the CFRAC will not be subject to the requirements of the Federal Advisory Committee Act (5 U.S.C. App.), and (b) the Secretariat will publish on the Treasury website a list of the names of members who are not employees of, or affiliated with, the U.S. Government.
15. Meeting Minutes. The Secretariat will prepare minutes of CFRAC meetings, which will be published on the Treasury website.
16. Meeting Materials. The Chairperson may determine to publish meeting materials of the CFRAC on the Treasury website.