



April 2023

Please read this important information carefully.

Schwab 403(b)(7) Account Agreement

Information about your:

- Schwab 403(b)(7) Account
- Schwab 403(b)(7) Custodial Account Agreement

The most recent account agreement information is available at www.schwab.com/accountagreements.

Contents

Introduction	3
Definitions	3
Cash Account	5
1. Provision of Services	5
2. Services and Fees	5
3. Rules and Regulations	7
4. Payment, Equity Deposit, Settlement and Liquidation	7
5. Wire Transfers and Automated Clearinghouse (ACH) Transfers	8
6. Receipt of Deposits and Transfers	12
7. Payment of Indebtedness	12
8. Remittance	12
9. Your Responsibility Concerning the Buy, Sale, Transfer or Deposit of Control, Restricted, or Unregistered Securities	13
10. Corporate Actions	13
11. Your Responsibilities for Understanding Terms of Securities	14
12. Accuracy of Account Information	14
13. Amendment and Termination of the Agreement	14
14. Approval of Application, Credit Verification and Account Information	15
15. Governing Law	15
16. Account Control Certifications	15
17. Assignment	16
18. Arbitration	16
19. Losses Due to Extraordinary Events	18
20. Phone Channel Access	18
21. Provision of Market Data	18
22. Assets Externally Held and Worthless and Non-Transferable Securities	19
23. Order Entry Services	19
24. Investment Advice	20
25. Market and Limit Orders	21
26. Good-till-Cancelled Orders	22
27. Order Routing and Execution	22
28. Order Change or Cancellation Requests	22
29. Mutual Fund Fees, Orders, Distributions and Redemptions	23
30. Notification	25
31. Trade Reports, Confirmations, Statements and Other Account-Related Communications	25
32. Consent to Electronic Delivery of Records and Regulatory Information	25
33. Schwab MoneyLink® Transaction Errors	26
34. UBTI Reporting	27
35. Unclaimed Property	27
36. Monitoring of Conversations	27
37. Trading or Disbursement Restrictions	28
38. Multiple-Party Account Disputes, Beneficiary Disputes, and Other Account Disputes	28
39. Disclosure of Account Information	28
40. Trusted Contact Person and Temporary Holds on Your Account	29
41. Privacy Policy, Extended-Hours Trading and Other Terms and Disclosures	30
42. Separability	32

43. Interest, Dividend and Other Payments	32
44. Entire Agreement, Amendment and Waiver	32
45. Certain Acknowledgments	32
46. SIPC Protection	33
47. Authorizations Granted to Advisors	33
48. Electronic Copies	33
49. Optional Dividends	33
50. Processing and Execution of Electronic Transactions	34
51. Independent Branch Leaders Who May Service Your Account	34
Schwab's Cash Features Program	34
Float Disclosure	37
Electronic Services Agreement	38
1. Use of Electronic Services	38
2. Risks of Electronic Trading	39
3. Fast and Volatile Market Conditions	39
4. Financial Market Information; No Warranty	40
5. Limitations of Liability	41
6. Consent to Email Communications and Opting Out	42
7. Use of Proprietary Information	42
8. Use of Quotes	42
9. Order Change or Cancellation Requests	42
10. No Legal or Tax Advice	43
11. Investment Advice	43
12. Access, Passwords and Security	43
13. Data Transmission.	44
14. Use of Software, Programs, Applications or Other Devices to Access Electronic Services	44
15. Subscription, Service and Use Fees	44
16. Account Restrictions	44
17. Indemnification	45
18. Our Ability to Suspend or Terminate Electronic Services	45
19. Electronic Communications	45
20. General.	46
21. Modifications	46
22. Governing Law.	46
23. Third-Party Beneficiaries	46
Schwab 403(b)(7) Custodial Account Agreement.	47

Schwab 403(b)(7) Account Agreement

Introduction

This Agreement contains important terms and conditions that apply to the Schwab 403(b)(7) Account and Schwab brokerage services. Please read this Agreement carefully and retain it for future reference.

Charles Schwab & Co., Inc. (“Schwab”) is a member firm of the Financial Industry Regulatory Authority (FINRA). As such, we are required to inform you of the availability of a FINRA Investor Brochure, which includes information on the FINRA Public Disclosure Program. You may contact the FINRA public hotline at 1-800-289-9999 or on the Internet at www.finra.org.

Definitions

As used in the Account Agreement, the terms listed below are defined as follows:

- **Account/Schwab 403(b)(7) Account/403(b)(7) Account**—The brokerage account established for you under the Agreement which is intended to be a Custodial brokerage account within the meaning of Section 403(b)(7) of the Internal Revenue Code and through which you may buy or sell regulated investment company stock, generally mutual fund shares.
- **Account Agreement**—The agreement you make with us when you open the 403(b)(7) Account, consisting of the Charles Schwab 403(b)(7) Custodial Account Agreement, the Account Application, the Charles Schwab 403(b)(7) Account Agreement and any other written agreements between you and us concerning the 403(b)(7) Account, all as amended from time to time.
- **Account Application**—The application you sign and submit to open a Schwab 403(b)(7) Account.
- **Accounts of Your Household**—Accounts of Your Household are accounts that have been linked in accordance with Schwab’s householding guidelines. Schwab makes a reasonable effort to automatically link qualified accounts of persons with the same last name at the same home address, including accounts held at certain Schwab affiliates. You are responsible for identifying accounts that should be linked for purposes of determining Accounts of Your Household and Household Calculations.
- Schwab aggregates the balances and activities of Accounts of Your Household to determine for brokerage accounts: commission rates, whether those accounts may qualify for certain fee waivers, and whether those accounts may qualify for certain benefits or features (“Household Calculations”).
- Schwab may consider other accounts to be in your household upon your request if account holders are in the same family, there is a dependent relationship, or in certain other similar instances at Schwab’s discretion. For example, if you or other members of your family who reside at your home address have a different last name (including a spouse, if applicable), you need to contact Schwab to request that we combine your accounts for purposes of Household Calculations. If an account is added to the Accounts of Your Household, any impact on Household Calculations may not take effect until the following quarter.
- **Bank Sweep Feature**—The Cash feature through which Schwab sweeps the Free Credit Balance in your account to deposit accounts at one or more banks. The Bank Sweep feature includes both the Bank Sweep and Bank Sweep for Benefit Plans.
- **Business Day**—Monday through Friday, excluding U.S. stock exchange holidays. Although Schwab offices may be open on certain U.S. bank holidays, these days are not considered Business Days for purposes relating to the transfer of funds.

- **Cash Account**—The basic 403(b)(7) Account we offer.
- **Cash Features**—Subject to eligibility requirements, the options that we offer to you for your uninvested cash: the Schwab One® Interest feature, the Bank Sweep feature, and the Money Fund Sweep feature.
- **Debit Balance**—An account balance representing money owed to us.
- **Electronic Fund Transfer**—Any transfer of funds initiated or authorized by you through an electronic payment system such as the Automated Clearinghouse (ACH) Network.
- **Free Credit Balance**—Defined for purposes of this Agreement as the uninvested cash in your Account, minus the following: (i) funds necessary to pay for purchase transactions due to settle within the two Business Days after funds are eligible to be swept to a Cash Feature; and (ii) charges to your Account. Proceeds from the sale of securities will not become a Free Credit Balance until the Business Day following settlement date. Credits that result from dividends or interest payments, deposits, wired funds, reorganization activities or other non-trade-related transactions will not become a Free Credit Balance until the next Business Day. In determining whether to sweep funds through the Bank Sweep feature or Money Fund Sweep feature, we may, but are not obligated to, offset credits and debits against each other.
- **Good Delivery**—The delivery to us of freely transferable securities (that is, properly registered, endorsed and fully negotiable stock or bond certificates).
- **Household Balance**—Household Balance means the total combined value, over a given period of time, in the Accounts of Your Household, including margin balances and other outstanding debit balances like mortgage, Home Equity Line of Credit (HELOC) and credit card balances. For the purpose of determining commission rates and fee waivers, Schwab adds up your daily Household Balances then divides the total amount by the number of days in the applicable period.
- **Household Calculations**—Schwab’s calculation of fees, fee waivers, and other benefits and features that apply to the Accounts of Your Household.
- **Money Fund Sweep feature**—The Cash Feature that sweeps the Free Credit Balance in your Account into a Schwab® Sweep Money Fund.
- **Schwab Sweep Fund**—Each of the Schwab money market funds offered as part of the Money Fund Sweep feature.
- **Securities**—Limited to regulated investment company stock, generally mutual fund shares and investments in shares of certain unit investment securities that qualify as investments in regulated investment company stock under 403(b)(7) of the Internal Revenue Code (“Code”).
- **Sweep**—The automatic investment of a Free Credit Balance by Schwab into a Cash Feature other than the Schwab One® Interest feature.
- **To close any or all transactions**—To complete or liquidate any or all unsettled transactions; to cancel open orders; to sell or buy securities.
- **Unrelated Trade or Business Taxable Income (UBTI)**—The taxable portion of the gross income derived from any trade or business that is regularly carried on and not substantially related to the organization’s exempt purpose or function. UBTI can include income from leveraged real estate investments, as well as income from active businesses.
- **We/us/our/Schwab**—Charles Schwab & Co., Inc.
- **You/your/Account Holder**—Each person who signs the Account Application.

Cash Account

1. Provision of Services

To open a 403(b)(7) Account, you complete an Account Application. When we approve your Account Application, we will open a Cash Account for you and act as your broker to purchase and sell securities for your Account based on your instructions. When transferring assets from another firm, please be advised that we will not accept or honor any oral or written instructions from you to purchase or sell securities prior to our actual receipt of your assets and the completion of the transfer process. You may initiate orders relating to the transferred cash and/or securities only after the transfer process has been completed and the assets have been received by Schwab.

2. Services and Fees

Enrollment in a Service. Schwab offers a number of account types, service features and benefit packages, each of which is referred to as a “Service” for purposes of your Account Agreement. Each Service can have unique fees and additional terms and conditions. By enrolling in a Service or otherwise using a Service and not discontinuing your enrollment in that Service, you agree to abide by the terms and conditions or supplemental agreement (“Terms of Service”) applicable to such Service, in addition to this Account Agreement.

Householding Guidelines. Unless you notify Schwab otherwise, Schwab will make a reasonable effort to link qualified accounts of persons with the same last name at the same home address. Schwab may link other accounts upon your request if account holders are in the same family, there is a dependent relationship, or in certain other similar instances at Schwab’s discretion. Certain accounts may not be eligible for linking. The assets of linked accounts are not commingled, and all clients linking accounts retain control over, and responsibility for, their individual accounts.

Schwab is not responsible for identifying accounts that are eligible to be linked for purposes of determining the Accounts of Your Household. It is the obligation of fiduciaries to notify Schwab of accounts that should not be linked. You agree to contact Schwab if you are acting in a fiduciary capacity and want your fiduciary account aggregated as part of the Household Calculation or excluded from the Household Calculation. You may contact Schwab or your independent investment advisor (“advisor”) for more information or to give Schwab instructions with respect to linking eligible accounts.

Certain fees and other items relating to your account are calculated by considering (i.e., aggregating) activities and balances in the Accounts of Your Household. You acknowledge and agree that it is your responsibility to review the applicable *Pricing Guide* or fee schedule, your account statements, and to consult with other members of your household who may have accounts with Schwab to determine whether Schwab should update or change its Household Calculations. While Schwab will make a good faith effort to identify and consider on its own the Accounts of Your Household in order to calculate any potentially applicable fee waivers, you acknowledge and agree that Schwab is not responsible for any claimed error in making Household Calculations if you fail to contact Schwab with concerns or questions about how Schwab is making Household Calculations. If there are other holders of Accounts of Your Household, you understand and acknowledge that Schwab may use general information about your Household Balance and activities to provide or explain Household Calculations or Services available to you and those other holders of Accounts of Your Household. If you do not want your account data included with data from other Accounts of Your Household for such purposes, you agree to contact Schwab.

Fees and Incorporation of the Pricing Guides. Fees for particular Services and Accounts are generally set forth in a pricing guide or fee schedule, such as the *Charles Schwab Pricing Guide* or other pricing guide Schwab may provide as applicable to your account (collectively, the “*Pricing Guides*,” and individually, a “*Pricing Guide*”). The *Pricing Guides* are companions to this Account Agreement and are incorporated as part of this Account Agreement.

You agree to pay the Service fees as well as other fees that apply based on your transactions, activities, and requests, as set forth in the *Pricing Guide* applicable to your account or as Schwab otherwise informs you. These other fees can include, but are not limited to, the following:

- Commissions, transactions (including mutual funds), and order handling fees;
- Account service fees;
- Cashiering services;
- Custody of certain assets;
- Reports relating to your account requested by you or that are required by law;
- Fees associated with transactions in Schwab proprietary non-sweep money funds;
- Termination and transfer fees; and
- Charges for failing to maintain minimum balance requirements.

Some Services can have a special fee schedule that is not included in the applicable *Pricing Guide*. If so, Terms of Service that you receive at the time you receive or enroll in the Service will include that additional pricing information. You agree to review the Terms of Service and not to use or not to continue use of the Service if you do not agree to pay the applicable fees.

You agree to pay all applicable fees, as well as any applicable federal, state and local taxes. Schwab’s failure to deduct fees from your Account at the time you incur those fees does not waive Schwab’s right to deduct those fees from your Account at a later time.

Schwab can modify a *Pricing Guide* or fee schedule applicable to a Service at any time. Schwab will provide notice to you of any change in fee or new fee applicable to you in accordance with applicable laws and regulations. Your continued use of your Account or a Service following such a change in fee or new fee will evidence your consent.

Some fees may be charged to a debit or credit card. By authorizing Schwab to charge a debit or credit card, you are authorizing Schwab or its respective designated representatives or agents to automatically continue charging that card (or any replacement credit card account if the original card is renewed, lost, stolen, or changed for any reason by the credit-issuing entity, and such entity informs Schwab of such new replacement card account) for all fees and charges associated with your transactions or the products or Services you receive.

Schwab reserves the right, but has no obligation, to negotiate different prices or arrangements than those described in a *Pricing Guide* or elsewhere with account holders and with unaffiliated third parties acting as agents for certain account holders.

Transfer (Out) Fee and Account Minimums. Schwab can charge a fee when you request a transfer of assets from the Account to another financial institution (a “TOA”), as set forth in the applicable *Pricing Guide* or fee schedule. A TOA occurs when you request (either personally or through another financial institution) that Schwab transfer securities or cash out of the Account. A TOA of all the assets in the Account is a “full TOA”; a TOA in any amount less than this is a “partial TOA.” Schwab reserves the right to later charge fees

or waive the minimum or fees on any Account in circumstances that we deem appropriate.

You agree to pay our brokerage commissions and transaction, processing and other fees, as they exist from time to time and apply to your Account, for transactions and services you receive. Schwab's failure to deduct fees from your Account at the time you incur those fees does not waive Schwab's right to deduct those fees from your Account at a later time. Schwab may accept custody of certain assets not normally available through Schwab; we will charge fees for this service. You agree also to pay all applicable state and local excise taxes.

Schwab does not charge transaction fees on purchases and redemptions of shares of certain registered investment companies or commissions on certain exchange-traded products that participate in certain Schwab programs and services. Schwab is able to effect these transactions without charging a transaction fee/commission because we receive remuneration from the registered investment company, exchange-traded product, and/or their affiliate for services rendered by Schwab in connection with these shares.

Additional information about Schwab's financial relationships with mutual funds and exchange-traded products is available on www.schwab.com. Further information will be furnished upon request.

Schwab can charge transaction fees under certain circumstances for which the customer has been or will be notified, including, but not limited to, Schwab's short-term redemption policy as in effect from time to time.

You may obtain a copy of the applicable *Pricing Guide* or fee schedule by calling 1-800-435-4000, or if your Account is managed by an independent investment advisor, please contact your advisor directly, or call Schwab Alliance at 1-800-515-2157.

3. Rules and Regulations

Your 403(b)(7) Account and any transactions you make are subject to our house trading rules and policies and the following rules, regulations and policies, all as modified or amended from time to time:

- Applicable rules, regulations, customs and usage of any exchange, market, clearinghouse or self-regulatory organization.
- Applicable federal and state laws, rules, regulations and treaties.

4. Payment, Equity Deposit, Settlement and Liquidation

You agree to pay for all transactions you make and all authorized transactions in your 403(b)(7) Account. When you purchase securities on a cash basis, you agree to pay for the securities by settlement day. We will use available funds in your Schwab 403(b)(7) Account to settle a transaction. You also agree to make good delivery of the securities you are selling by settlement day.

For our protection, or to satisfy your obligations to us, we may, at our discretion and without prior demand or notice, sell or otherwise liquidate all or any part of the securities securing your obligations or close any or all transactions in your 403(b)(7) Account.

For instance, if you do not make good delivery of your securities when making a sale, or if you do not tender the total purchase price when making a purchase, we may take appropriate steps to complete, cancel or liquidate the transaction. This may include purchasing or borrowing the securities necessary to make the delivery. Failure to make good delivery includes the deposit of securities by you that are later found to be restricted, cancelled, reported lost, stolen, escheated or otherwise not freely transferable.

You are responsible for all debits, costs, commissions and losses arising from any actions we must take to liquidate or close transactions in your 403(b)(7) Account or from your failure to make timely good delivery of securities. If you know or suspect that you have received an overpayment of funds or securities, or if you know or suspect that Schwab has not yet collected from your Account a fee you have incurred, you agree to notify Schwab in writing as soon as you learn of the overpayment or uncollected fee. You further agree not to remove the overpayment of funds or securities or the uncollected fee from the Account, or to return the entire overpayment or uncollected fee to Schwab if it has already been removed from your Account. You agree that you are required to return the full amount of the overpayment or uncollected fee to Schwab, notwithstanding any oral representations made by a Schwab representative to the contrary. If you fail to do so, you will become liable to Schwab not only for the amount of the overpayment or uncollected fee, but also for the interest and expenses associated with its recovery.

Whenever it is necessary for our protection to satisfy a debit in your Account or obligation owed us with respect to your Account (including the payment of any fees and expenses relating to your Account that are assessed from your Account), you authorize and direct Schwab to sell, assign and deliver all or any part of the property in your Account or close any or all transactions in your Account or restrict activity in your Account as may be necessary from time to time to satisfy any such debit or obligation. You further authorize and direct us to choose which property to buy or sell, which transactions to close and the sequence and timing of liquidation. We may take such actions on whatever exchange or market and in whatever manner (including public auction or private sale) that we choose in the exercise of our business judgment pursuant to this direction. You agree not to hold us liable for the choice of which property to buy or sell or of which transactions to close or for timing or manner of liquidation or any tax consequences from such actions pursuant to this direction. This serves as your direction and authorization to us, without any additional notice to you. No demand or notice shall impose on Schwab any obligation to make such demand or provide such notice to you in the future. Any such notice or demand is hereby expressly waived, and no specific demand or notice shall invalidate this waiver.

You are responsible for payment of all fees charged to your Account from time to time. You agree that Schwab can liquidate securities held in your Account to cover such fees or other indebtedness in the event that there are no available funds in your Account. You further agree to be responsible for all costs and commissions related to such liquidations. In addition, you agree that Schwab shall be entitled to apply any dividends, capital gains payments, interest payments or other incoming funds, such as funds that would otherwise be invested through the Automatic Investment Plan or dividend reinvestment, to cover fees or other indebtedness to Schwab.

5. Wire Transfers and Automated Clearinghouse (ACH) Transfers

Sending Wire Transfers

The following provisions apply to wire transfers you send through Schwab. This section does not apply to ACH funds transfer services or Schwab MoneyLink® services, which are subject to separate terms and conditions.

A wire transfer is the process of carrying out a payment order that leads to the transfer of funds to a beneficiary. The payment order is the instruction you give us regarding a wire transfer. The beneficiary is the person who receives the payment. The beneficiary may be you or another person.

We can charge fees for sending a wire transfer. For current fees, call 1-800-435-4000. If your account is managed by an advisor, please contact your advisor directly, or call Schwab Alliance at 1-800-515-2157. Additional fees can be applied to a transfer by the

receiving bank or an intermediary bank. We have no control over the intermediary or receiving bank's fee structure.

By providing us with a payment order in a manner that is acceptable to us, you authorize us to act on your behalf to initiate a wire transfer. Upon receiving a payment order from you by the applicable cutoff time, we will act on the payment order by transmitting payment instructions to the applicable bank. We have cutoff times for processing payment orders. We may treat payment orders we receive after a cutoff time as if received the next Business Day. Our cutoff times are available upon request.

We may provide you with one or more numbers, passwords, tokens, challenge questions, and/or other means of identification and authentication (collectively, a "Password") in connection with our wire transfer service. You agree to maintain the security and confidentiality of your Password and to notify us immediately if you have any reason to believe its security or confidentiality has been or may be breached.

We may elect to verify the authenticity and content of any payment order by placing a call to any authorized signer on your account and/or any other person you designate as your agent for that purpose. If we are unable to verify a payment order with an authorized person, we may refuse to execute the order. We also may reject any instruction that is not confirmed in accordance with any other security procedure that you and we agree upon. You agree that confirmation of your wire instruction by telephone, or online through our website or by wireless device (which consists of both electronically authenticating and authorizing the wire instruction through encrypted channels), or our reliance on any password or other security procedure that you and we agree upon, shall be deemed to be a commercially reasonable security procedure, in light of the anticipated size, type, and frequency of your wire transfers.

We may process any payment order we believe is transmitted or authorized by you if we act in compliance with the agreed upon security procedure. You agree to be bound by any wire instruction, whether or not authorized, that is issued in your name and accepted by us in compliance with the security procedure.

Our security procedures are designed to verify the authenticity of wire instructions, not to detect any errors in their transmission or content. We assume no responsibility to detect errors in your instructions (e.g., duplicate transfers), even if we may take certain actions from time to time to do so.

We may reject payment orders. Any notice of rejection (whether given orally, electronically, or in writing) will be effective when given. We will not be liable to you for the rejection or obligated to pay you interest for the period before you receive the notice of rejection. Pursuant to government regulations, we may be unable to send a wire transfer you requested to certain individuals or countries, or to individuals who are citizens of those countries. Also, your payment order may be delayed while we check to ensure that sending it to the designated recipient does not violate applicable laws or regulations. You agree that Schwab will not be liable for any losses in any of these circumstances.

We may select any intermediary bank, funds transfer system, or means of transmittal to send your payment orders. Our selection may differ from that indicated in your instructions.

It is important that you provide us with accurate and complete payment information. The beneficiary's bank (including us when we are the beneficiary's bank) may make payment to the beneficiary based solely on the account or other identifying number you provide, even if the name on the payment order differs from the name on the account. We, or an intermediary bank, may send a payment order to an intermediary bank or a beneficiary's

bank based solely on the bank identifying number, even if you provide us with a different bank name.

Neither we nor any other bank has a duty to determine whether a payment order contains an inconsistent name and number. This means that you may not rely on the name of the person or bank that you provide us to ensure payment to the correct person. If you provide incorrect information, you could lose the amount transferred.

Terms Applicable to Sending Domestic Wire Transfers and Non-Consumer Foreign Wire Transfers

You agree to indemnify us against, hold us harmless from, and defend us against any losses, claims, costs, expenses, damages, or liabilities (including, but not limited to, attorneys' fees) arising out of or resulting from any action taken or omitted by us in accordance with this Agreement or your instructions. This obligation will survive the termination of this Agreement.

You must notify us at once if you think a wire transfer shown on your Account statement or other notice is incorrect or unauthorized. If you fail to notify us in writing within 10 calendar days after we send or make available to you the first notice or statement on which the problem or error appears, you agree that the transfer information set forth on the statement or notice will be deemed correct, and that you will be precluded, to the greatest extent permitted by law, from asserting any claim against Schwab in connection with, and waive any right to recover any losses resulting from, any unauthorized or erroneous transfer.

You cannot amend or cancel a payment order after we receive it. If you ask us to do this, we may make a reasonable effort to act on your request. But we will not be liable to you if, for any reason, a payment order is not amended or canceled. You agree to reimburse us for any costs, losses, indemnity claims, or damages that we incur in connection with your request to amend or cancel a payment order.

If your payment order requires us to convert one type of currency to another (for example, from U.S. dollars to euros), your funds will be exchanged for such other currency at the current rate of exchange according to our standard procedures. Currency exchange rates fluctuate over time, and you acknowledge and accept the risks of such fluctuations between the time you send us a payment order and the time the wire transfer is final.

Terms Applicable to Certain Consumer Foreign Wire Transfers

If you initiate a wire transfer that is subject to Regulation E primarily for personal, family, or household purposes to a recipient in a foreign country (a "consumer foreign wire transfer"), we will provide you with a disclosure of the details of the transaction, as well as information about your error resolution and cancellation rights. Note: Certain transfers made in connection with the purchase or sale of securities are not covered by Regulation E or this section.

What to do if you think there has been an error or problem with your consumer foreign wire transfer:

If you think there has been an error or problem with your wire transfer:

Call: 1-877-742-9488

Write: Charles Schwab & Co., Inc.
Attn: Document Control
P.O. Box 982600
El Paso, TX 79998

OR

Charles Schwab & Co., Inc.
Attn: Document Control
P.O. Box 628291
Orlando, FL 32862-8291

Outside the U.S., call: +1-602-355-3426.

You must contact us within 180 days of the date we promised to you that funds would be made available to the recipient. When you do, please tell us:

1. Your name and address and/or telephone number;
2. The error or problem with the transfer and why you believe it is an error or problem;
3. The name of the person receiving the funds and, if you know it, his or her telephone number or address;
4. The dollar amount of the transfer; and
5. The confirmation code or number of the transaction.

We will determine whether an error occurred within 90 days after you contact us, and we will correct any error promptly. We will tell you the results within three Business Days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of any documents we used in our investigation.

What to do if you want to cancel a consumer foreign wire transfer:

You have the right to cancel a consumer foreign wire transfer and obtain a refund of all funds paid to us, including any fees. In order to cancel, you must contact us at the phone number above within 30 minutes of payment for the transfer.

When you contact us, you must provide us with information to help us identify the transfer you wish to cancel, including the amount and location where the funds were sent. We will refund your money within three Business Days of your request to cancel a transfer as long as the funds have not already been picked up or deposited into a recipient's account.

Receiving Transfers

We may receive instructions to pay funds to your account, including wire transfers, transfers sent through an ACH system, and transfers that are processed directly to an account with us. We may receive funds transfers directly from the sender, through a funds transfer system such as an ACH system, or through some other communications system.

We will notify you that we have received wire transfers and ACH transfers by listing them on your Account statement rather than sending you separate notices with respect to each transfer. You can also access information about your transfers with our online service through Schwab.com.

ACH Provisional Payment Rule

Under ACH rules, funds transfers sent through an ACH system are provisional and may be revoked prior to final settlement. You agree that ACH transfers that involve your Account will be subject to the ACH rules.

If an ACH transfer is revoked before final settlement and we do not receive final settlement, we can charge your Account for any amount that was previously credited and the person who sent the payment order will be considered not to have paid you. If this happens, we will not send you a separate notice; we will notify you of these credits and charges on your Account statement.

Liability

If we are obligated to pay you for loss of interest that results from our error or delay regarding a payment order that you place, we will calculate your compensation by using the rate that is applicable to your Account for the time in question.

In no event will we be liable for any special, indirect, or consequential damages (even if we have been informed of the possibility of such damages), including, without limitation, loss of profits or revenue, except as may be required by applicable law.

Compliance With Rules and Laws

You agree to comply with applicable payment system rules, including the Operating Rules of the National Automated Clearing House Association (NACHA), the laws and regulations of the United States, and any other applicable law.

6. Receipt of Deposits and Transfers

If we receive a deposit or transfer to your Account on a day that is not a Business Day, we may not credit your Account until the next Business Day. For purposes of this section, "Business Day" means Monday through Friday, except for U.S. stock exchange holidays and bank holidays. Schwab assigns a hold on incoming foreign wires preventing them from being moved to another account of investment for two days and does not pay interest on the funds during the hold period. (See "Float Disclosure" for more information.)

You will verify that deposits have been correctly posted to your Account and notify Schwab immediately of any discrepancy.

You authorize Schwab to accept checks (with or without endorsement) for deposit into your Account that we receive from your advisor. Your advisor may forward the physical check to us or transmit images of the check and other data to us electronically. You acknowledge your responsibility for any check given to your advisor for deposit into your Account. You further acknowledge and agree as follows: We may prescribe limitations or refuse to accept checks for deposit when forwarded to us by your advisor. Schwab has no responsibility for your advisor's handling of checks, including but not limited to (i) the security or safekeeping of checks, (ii) your advisor's creation of electronic images of checks, (iii) the forwarding or transmission of checks or check images to us, and (iv) any ambiguity, inaccuracy or omission in any check-related information provided to us. We may process check images electronically or convert them into paper substitute checks based on the information your advisor provides. Your advisor's forwarding of checks (or check images) to Schwab are instructions of your advisor with respect to which you have agreed to indemnify and hold us harmless as provided in the Application Agreement for your Account.

7. Payment of Indebtedness

You agree to make payment of any indebtedness related to your Schwab 403(b)(7) Account, including, but not limited to, any such indebtedness that results from instructions provided to Schwab by you, your agent, or any attorney-in-fact under a power of attorney or advisor authorized to make transactions in your Schwab 403(b)(7) Account. We may elect anytime, with or without notice, to make any debit balance or other obligation related to your Account immediately due and payable. We may report any past-due Account to a consumer and/or securities credit-reporting agency. We may also refer your Account to a collection agency.

8. Remittance

If a check or other item you remit to us is returned unpaid, we will charge a fee to your Schwab Account. We reserve the right to redeposit any checks that are returned unpaid

due to insufficient funds, or for any other reason, without prior notice. For our protection, we may restrict your ability to withdraw funds represented by a check or other item or to apply these funds to settle a securities transaction. For more detailed information about our check-hold policy, call us at 1-800-435-4000, or if your Account is managed by an advisor, please contact your advisor directly, or call Schwab Alliance at 1-800-515-2157.

9. Your Responsibility Concerning the Buy, Sale, Transfer or Deposit of Control, Restricted, or Unregistered Securities

Before instructing us to buy/sell/transfer/deposit securities that are: (a) “restricted securities” or securities of an issuer of which you are an “affiliate” (as those terms are defined in Rule 144/144(b)1 under the Securities Act of 1933); (b) securities that are being bought/sold in reliance on Rule 701, Rule 144A, Regulation D, or Regulation S under said Act; or (c) securities of which you and the issuer or its underwriter have entered into an agreement restricting the transferability of such securities (penny stock/micro-cap securities that do not trade on a national securities exchange are required to go through the acceptance review process), you agree to tell us the status of your restricted/control/micro-cap securities, including any restrictions (including contractual lock-up or blackout restrictions) on your ability to buy/sell/transfer/deposit such securities, and to promptly furnish whatever information and documents we need to comply with our regulatory duties.

You acknowledge that furnishing the necessary information and documents to Schwab does not constitute an order to buy/sell your restricted/control securities, and that you must place a separate order to buy/sell by telephone or using the Electronic Services. You agree that you are responsible for all costs, including the cost to repurchase or resell stock, if you buy/sell/transfer/deposit stock that is later found to be restricted or nontransferable.

You further acknowledge that proceeds from the sale of your restricted/control securities may not be made available to you for withdrawal or trading purposes until Schwab receives what it, in its sole opinion, considers to be adequate verification that your restricted/control shares have been transferred or cleared for transfer. Because restricted/control securities transactions require special handling by both Schwab and third parties, processing your transaction may require several weeks, during which time the price of your securities may fluctuate. You agree not to hold Schwab responsible for market fluctuations that may occur to the market price or settlement of your securities while your transaction is processed. You further agree not to hold Schwab liable for delays in the buy/sale (or settlement of such buy/sale) of your restricted/control securities resulting from the failure of issuer’s counsel to issue or approve any necessary legal opinion, the failure of the transfer agent to process your shares, or any other action or failure to act of a third party. You agree not to tender restricted/control securities as collateral for an obligation you owe us, unless you first obtain our prior written approval.

10. Corporate Actions

The securities in your account may be subject to mandatory and voluntary corporate actions. A mandatory corporate action affects all holders, and no decision is required from you. A voluntary corporate action will require an election from you before Schwab’s cut-off date to indicate if and how you want to participate. You agree that you are responsible for knowing the features, rights and terms of all securities in your account and that you are responsible for making election decisions in corporate actions.

Schwab is not obligated to notify you of any upcoming expiration or redemption dates or to take any other action on your behalf without specific instructions from you. You agree that Schwab is not liable for any losses associated with the expiration of rights arising

out of or relating to your failure to act or to give instructions to Schwab to act on your behalf.

When you inform Schwab of your election in a corporate action, Schwab will ensure that your account is credited with your election when the corporate action is concluded, assuming all conditions of the offer have been met and elections have been accepted by the offeror. You agree and understand that Schwab may lend, or have already lent, the security subject to the corporate action; however, this will not affect the fact that your account will be credited with your election when the corporate action has concluded.

11. Your Responsibilities for Understanding Terms of Securities

To the extent applicable to an investment that qualifies as an investment in regulated investment company stock under 403(b)(7) of the Code, certain securities may impart valuable rights that expire unless you take some action. For example:

- (a) Warrants and stock purchase rights typically may be exercised only on or before a specified expiration date;
- (b) Some convertible redeemable securities will be redeemed automatically unless you exercise your conversion rights before a specified redemption date;
- (c) Some bonds may be redeemed, at the holder's option, only during specified periods; or
- (d) Some securities may become the subject of tender or exchange offers, which are limited in time.

You are responsible for knowing the rights and terms of your securities and for taking action to realize the value of your securities.

12. Accuracy of Account Information

You represent and warrant that:

- (a) You have attained the age of majority;
- (b) You have supplied accurate information in your Account Application;
- (c) No one, except the Account Holders listed on the Account Application (and, if community property is held, the Account Holders' spouses), has an interest in the Schwab 403(b) (7) Account.

In addition, you agree to notify us promptly in writing of any important change in the information you supply us on the Account Application. In particular, you agree to notify us:

- (a) If you are or become a director, 10% beneficial shareholder, policy-making officer or otherwise an "affiliate" (as defined in Rule 144 under the Securities Act of 1933) of a publicly traded company; or
- (b) If you are or become affiliated with or employed by a securities exchange or corporation controlled by a securities exchange, or a member of a securities exchange or a securities association; or
- (c) If there are significant changes to the net worth, income level or employment status you listed on the Account Application.

13. Amendment and Termination of the Agreement

You may close your Schwab 403(b)(7) Account anytime by giving us notice. We may, in our sole discretion, close your Account or terminate any or all services rendered under the Account Agreement anytime and for any reason. Closing an account or terminating services will not affect your obligations incurred prior to closure or termination.

Schwab may amend the Agreement at any time upon providing you or your Beneficiary notice. If any amendment is necessary to conform the Agreement to the current or future requirements of the Code or other applicable law, regulation or ruling, Schwab is expressly authorized to make any amendment necessary for such purposes retroactively to the later of the effective date of the Agreement or the effective date of any future legal requirements.

14. Approval of Application, Credit Verification and Account Information

By submitting an Account Application, you authorize us to:

- Verify your identity, creditworthiness and other information (and your spouse's if you live in a community-property state). To obtain verification, we may contact your employer (and your spouse's, if applicable), obtain consumer and credit reports and make other inquiries, but we are not obligated to do so.
- Provide information about you and your Account to consumer and credit reporting agencies and collection agencies.
- Send text messages and make telephone calls, including telephone calls made using an automatic telephone dialing system and/or an artificial or prerecorded voice from Schwab relating to your Account, on any telephone number that you have provided to Schwab, either on your account application or otherwise.

You also authorize your wireless carrier (AT&T, Sprint, T-Mobile, US Cellular, Verizon, or any other branded wireless operator) to disclose information about your wireless account, such as your mobile number, name, address, email, network status, customer type, customer role, billing type, mobile device identifiers (IMSI and IMEI) and other subscriber status, subscriber method and device details, if available, to support identity verification, fraud avoidance and other uses in support of transactions for the duration of your business relationship with us. This information may also be shared with other companies to support your transactions with us and for identity verification and fraud avoidance purposes. See our Privacy Policy for how we treat your data.

You further authorize Schwab to obtain copies of your consumer and credit reports at its discretion, at any time, for reasons including, but not limited to, the following:

- To collect a debit balance in your Account;
- To investigate, detect and prevent fraud involving you or your Account;
- To help us evaluate whether to grant, extend or modify the terms and conditions of any credit you have applied for or received;
- If a deposit of funds or securities to your Account is returned.

We may deny your application to open an account or may decline to offer you certain services available under the Account Agreement in our sole discretion for any reason.

15. Governing Law

This Agreement, and all future agreements you shall enter into with Schwab, unless otherwise indicated on such other agreements, shall be governed by the law (but not the choice of law doctrines) of the state of California. This is the case regardless of whether you reside or transact business with Schwab in California or elsewhere, except that the section entitled "Arbitration" shall be governed by the Federal Arbitration Act.

16. Account Control Certifications

You acknowledge that this Account Agreement and your Schwab 403(b)(7) Account may be subject to U.S. economic sanctions and embargo laws, including, but not limited to, the Trading with the Enemy Act, the International Emergency Act and similar laws, violations of which may be subject to U.S. civil and criminal penalties. You specifically

represent and warrant that you have not been designated by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC") as a Specially Designated National or blocked person, that you have no reason to believe that you would be considered a blocked person by OFAC, and that you are not acting as agent of any such person. You further represent and warrant that you are not employed by, acting as agent of, or partially owned or controlled by a government, a government-controlled entity or a government corporation, except as you have indicated on your Account Application with Schwab.

17. Assignment

We may assign our rights and obligations under the Account Agreement, or may assign any loans that we have made to you, including the security interests securing such loans, to any subsidiary, affiliate or successor by merger or consolidation without notice to you, or to any other entity after 30 days' written notice to you. If any loans we have made to you are assigned, you agree that we may comply with any entitlement orders originated by the assignee with respect to the collateral for such loans without any further consent from you. The Account Agreement is binding upon your and our heirs, executors, administrators, successors and assigns, and it will benefit your and our successors and assigns, if any.

18. Arbitration

Required Arbitration Disclosures. Regulatory authorities require that any brokerage agreement containing a predispute arbitration agreement must disclose that this agreement contains a predispute arbitration clause. This Agreement contains a predispute arbitration clause. By signing an arbitration agreement, the parties agree as follows:

- All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
- The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until:

1. the class certification is denied;
2. the class is decertified; or
3. the customer is excluded from the class by the court.

Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.

Arbitration Agreement. Any controversy or claim arising out of or relating to (i) this Agreement, any other agreement with Schwab, an instruction or authorization provided to Schwab or the breach of any such agreements, instructions, or authorizations; (ii) the Account, any other Schwab account or Services; (iii) transactions in the Account or any other Schwab account; (iv) or in any way arising from the relationship with Schwab, its parent, subsidiaries, affiliates, officers, directors, employees, agents or service providers (“Related Third Parties”), including any controversy over the arbitrability of a dispute, will be settled by arbitration.

This arbitration agreement will be binding upon and inure to the benefit of the parties hereto and their respective representatives, attorneys-in-fact, heirs, successors, assigns and any other persons having or claiming to have a legal or beneficial interest in the Account, including court-appointed trustees and receivers. This arbitration agreement will also inure to the benefit of third-party service providers that assist Schwab in providing Services (“Third-Party Service Providers”) and such Third-Party Service Providers are deemed to be third-party beneficiaries of this arbitration agreement.

The parties agree that this arbitration agreement will apply even if the application to open the Account is denied and will survive the closure of your Account and/or the termination of services rendered under this Agreement.

Such arbitration will be conducted by, and according to the securities arbitration rules and regulations then in effect of, the Financial Industry Regulatory Authority (FINRA) or any national securities exchange that provides a forum for the arbitration of disputes, provided that Schwab is a member of such national securities exchange at the time the arbitration is initiated. Any party may initiate arbitration by filing a written claim with FINRA or such eligible national securities exchange. If arbitration before FINRA or an eligible national securities exchange is unavailable or impossible for any reason, then such arbitration will be conducted by, and according to the rules and regulations then in effect of, the American Arbitration Association (AAA). If arbitration before the AAA is unavailable or impossible for any reason, the parties agree to have a court of competent jurisdiction appoint three (3) arbitrators to resolve any and all disputes or controversies between or among the parties. Each party shall bear its own initial arbitration costs, which are determined by the rules and regulations of the arbitration forum. In the event of financial hardship, the arbitration forum may waive certain costs in accordance with such rules. At the conclusion of the hearing, the arbitrators will decide how to assess the costs of the arbitration among the parties.

Any award the arbitrator makes shall be final and binding, and judgment on it may be entered in any court having jurisdiction. This arbitration agreement shall be enforced and interpreted exclusively in accordance with applicable federal laws of the United States, including the Federal Arbitration Act. Any costs, fees or taxes involved in enforcing the award shall be fully assessed against and paid by the party resisting enforcement of said award.

In addition to the above provisions, if a party to this Agreement is or becomes a non-U.S. resident at the time of any controversy subject to this arbitration agreement, such party acknowledges and agrees to the following additional provisions:

1. The rules of the organization administering the arbitration specifically provide for the formal designation of the place at which the arbitration is to be held.
2. Entering into this Agreement constitutes consent to submit to the personal jurisdiction of the courts of the state of California, U.S.A., to interpret or enforce any or all of these arbitration provisions. Judgment on any arbitration award may be entered in any court

having jurisdiction, or application may be made to such court for judicial acceptance of the award and an order of enforcement, as the case may be.

3. The exclusive language to be used by the parties and the arbitrators in the arbitration proceedings shall be English. Any party wishing an interpreter shall make all arrangements directly with the interpreter and shall assume all costs of the service.
4. If a party is a foreign government or state, state-owned or state-operated enterprise or other instrumentality of a foreign government or state, such party waives all rights of sovereign immunity and neither the Federal Act of State doctrine nor the doctrine of sovereign immunity shall apply insofar as any enforcement in courts located in the U.S.A. is concerned.

19. Losses Due to Extraordinary Events

We are not responsible, and you agree not to hold us liable, for losses caused directly or indirectly by conditions beyond our control, including, but not limited to: war, natural disasters, government restrictions, exchange or market rulings, strikes, interruptions of communications or data processing services, news or analysts' reports, market volatility or disruptions in orderly trading on any exchange or market.

20. Phone Channel Access

During non-business hours or during periods of peak demand, market volatility, systems upgrades or maintenance, or for other reasons, access to a Schwab representative via the phone channel may be limited or unavailable. Some clients may have their calls routed to automated telephone channels or informational messages. Schwab may assign calling teams and specific phone numbers to support certain client groups based on certain factors, which may include asset levels and trading history. These client groups may be given preference in reaching a Schwab representative. Failure to provide us with a valid account number could also limit your access to a Schwab representative.

21. Provision of Market Data

We may convey to you by telephone, electronic or other means the last-sale transaction data, bid and asked quotations, news reports, third-party analysts' reports, research and other information relating to securities and the securities markets (collectively referred to in this section as "market data"). We can charge a fee for providing this market data.

We obtain market data from securities exchanges and markets, and from third parties that transmit market data (collectively referred to in this section as "the market data providers"). All market data is protected by copyright laws. We provide market data for your personal non-commercial use; you may not sell, market or redistribute it in any way, unless you have entered into written agreements with the appropriate market data providers.

We receive the market data from industry sources that are believed to be reliable. However, the accuracy, completeness, timeliness or correct sequencing of the market data cannot be guaranteed either by us or by the market data providers. Neither we nor the market data providers will be liable for interruptions in the availability of market data or your access to market data.

The market data is provided "as is" and on an "as available" basis and is not a specific recommendation for you or your Account. There is no warranty of any kind, express or implied, regarding the market data. We are not responsible for, and you agree not to hold us liable for, lost profits, trading losses or other damages resulting from inaccurate, defective or unavailable market data. In any case, our liability arising from any legal claim (whether in contract, tort or otherwise) relating to the market data will not exceed the amount you have paid for use of the services or market data. You agree that we may

correct any execution reported to you that was based on inaccurate market data provided to us by an exchange or a market center.

22. Assets Externally Held and Worthless and Non-Transferable Securities

You agree that, solely as a service to you, we may, at our discretion, include in account statements certain non-standard assets that you own which are not held by us. You agree that we have derived information on such assets from you or from third parties and that we are not responsible for the accuracy or reliability of any information regarding these assets, including, but not limited to, valuations. You further understand that these assets are not covered by the Securities Investor Protection Corporation (SIPC). When we include such assets on your account statement, you agree to be bound by the addendum to this Agreement entitled “Addendum to Agreement—Non-Standard Assets.” Schwab reserves the right to remove from your account any security that is deemed to have been cancelled or otherwise invalidated. In determining that a security has been cancelled or invalidated, you agree that we have derived information on such assets from you or from third parties and we are not responsible for the accuracy or reliability of any information regarding these assets. Cancelled or invalid securities may include but are not limited to bankruptcy or charter or registration revocation. Schwab will notify you if it has removed a cancelled or otherwise invalid security from your account. Unless you provide Schwab with evidence of the validity of the security within sixty (60) days of the notice of removal, you agree to waive any claim to any future distribution from the securities and agree to indemnify and hold Schwab harmless from any claims, liability, or damages resulting from the removal of such securities. If you provide Schwab with evidence of the validity of the security from an independent third party within 60 days of receiving the notice of removal, Schwab will reinstate your position.

In addition, Schwab reserves the right to charge an additional custody fee for securities for which Schwab cannot identify a transfer agent (a “Non-Transferable Security”). The existence of a Non-Transferable Security in your Account may be noted with a notation of “n/a” for the value of that position on your account statements.

23. Order Entry Services

From time to time, we may make available services (referred to in this section as “the services”) that allow you to place orders and obtain market data and other information via telephone, computer or other electronic means. You agree to use the services to enter your orders if time is of the essence. You agree that, for any orders you send to us in writing, the timing of the order entry is not a priority for you and you understand that, although we will use our best efforts to enter that order in a timely manner, it may not be entered immediately at the time the written order is received. You further agree that we may determine, in our sole discretion, that a written order needs further clarification. You understand that such an order may not be entered if we are unable to contact you to discuss the order. We encourage you to place all orders using the services. You agree you are responsible for paying for all orders. Schwab may, in its sole discretion, remove particular securities from the list of securities that can be purchased using electronic services due to volatility or other market factors.

The services may require you to use a number or password to access your Schwab 403(b)(7) Account. You are responsible for the confidentiality and use of your access number, password and account number, and for all securities and other transactions initiated through these means. Any orders communicated to us through these means will be considered to have been sent and authorized by you.

You also agree to notify us immediately if you:

- (a) Become aware of any loss, theft or unauthorized use of your access number, password or account number; or any unauthorized use of the services or the market data.
- (b) Fail to receive a message that an order you initiated through the services has been received or executed.
- (c) Fail to receive an accurate written confirmation of an order or its execution.
- (d) Receive confirmation of an order that you did not place.

You agree to pay all subscription, service and use fees, if any, that we charge for the services. We can treat such fees as a debit to your Schwab 403(b)(7) Account and deduct the amount of these fees from any credit balance in your Account. Alternatively, you authorize us to charge such fees to a credit card account number that you have provided to us for this purpose.

We will not be liable for lost profits, trading losses or other damages resulting from the delay or loss of use of the services. In any case, our liability arising from any legal claim (whether in contract, tort or otherwise) relating to the services will not exceed the amount you have paid for use of the services.

24. Investment Advice

You agree and acknowledge that:

- (a) Unless we otherwise agree with you in writing, Schwab will act only as your broker-dealer and not as an investment advisor ("Investment Advisor"); and your Account will be a brokerage account and not an investment advisory account governed by the Investment Advisers Act of 1940.
- (b) Unless we otherwise agree with you in writing, Schwab will not provide financial planning services to you or your Account, and any collection of your financial data by Schwab, or analysis or evaluation of such data by Schwab, will be in furtherance of our broker-dealer activities such as recommending investments for your Account and not in connection with establishing or implementing a financial plan.
- (c) You, or you and an Investment Advisor other than Schwab, if you have one, are responsible for determining the nature, potential value of any particular investment strategy, transaction (including future transactions) or security (including equities and options). Schwab has no responsibility for any such determination (1) unless we otherwise agree with you in writing, (2) unless required by applicable law, or (3) unless Schwab or a Schwab representative gives advice directly to you that is clearly identified as a Schwab recommendation for you to enter into a particular transaction or transactions or to buy or sell a particular security or securities.
- (d) You agree that any such Schwab recommendation will remain in effect only for as long as we tell you that it will remain in effect at the time we make the recommendation.
- (e) Unless we otherwise agree with you in writing, Schwab does not monitor your account(s) or investments and has no obligation to update any investment recommendation, financial advice, or financial plan we may give you. Such recommendation, financial advice, or financial plan only applies at the point in time we provide it to you.
- (f) Unless we otherwise agree with you in writing, Schwab does not have any discretionary authority or obligation to review or make recommendations for the investment of securities or cash in your Account.
- (g) You, or you and an Investment Advisor other than Schwab, if you have one, will rely on multiple sources of information in making investment decisions for your Account, and any information Schwab may provide will not serve as the sole basis for any investment decision you make, or any decision which is made on your behalf.

- (h) You, or you and an Investment Advisor other than Schwab, if you have one, have an affirmative duty to monitor profits and losses in your Account and to modify your trading decisions accordingly.

Schwab may make available, to you and your Account, enrollment in certain Schwab offerings which will be composed of specified investment advisory services for which you pay a quarterly asset-based fee, which will generally be charged based on the amount of certain assets in your Account, or, in the case of financial planning services, a one-time flat fee. Other fees and charges can also apply, as set forth in a separate agreement you will enter into and that will become part of this Account Agreement.

- (i) While Schwab may make available its own proprietary research, or other information, this does not constitute an individualized recommendation that a security or transaction is appropriate for you or your Account. Additionally, while Schwab makes available research, analysis, news and other information prepared by third parties, this also does not constitute an individualized recommendation by Schwab (or any third party) or a solicitation of any offer to buy or sell securities by Schwab (or any third party). Schwab does not create or prepare any of this third-party information, and it gives no assurances as to its accuracy, quality or timeliness and does not warrant any results from use of any such information.
- (j) Any research, analysis, news or other information made available through electronic channels (e.g., the Schwab.com website or email alerts) does not constitute an individualized recommendation to you to buy or sell a particular security.
- (k) Schwab does not give legal advice.
- (l) Schwab does not give tax or estate planning advice, but we may provide you with general tax and estate planning information and principles. You agree that these principles do not apply to your specific circumstances or take into account your comprehensive tax or estate planning situation. For that type of assistance, you agree to consult your own tax or legal advisor.

You agree not to hold Schwab liable for any trading losses, lost profits or other damages resulting from your use of any information Schwab may provide, whether it is prepared by Schwab or a third party.

25. Market and Limit Orders

To the extent applicable to an investment that qualifies as an investment in regulated investment company stock under 403(b)(7) of the Code, you acknowledge that a quote you obtain at or prior to the time you place a market order is not a guarantee that all or part of your order will be executed at the quoted price. You acknowledge that when you place a market order, the price of the security may change between the time the order is placed and the time it is executed, and you agree not to hold Schwab liable for these price fluctuations. In addition, if you place a market order when the trading exchanges or marketplaces are closed, or for a security that has not traded on the public market before, you acknowledge that the security may open for trading at a price substantially higher or lower than the previous closing price or the anticipated price. You agree to pay or receive the prevailing market price at the time your market order was executed, even if the execution market price is significantly higher or lower than you anticipated at the time you placed the order.

The price quotes you receive when placing an order apply only to orders for a small number of shares. You acknowledge that the price you will pay or receive may vary substantially if your order is larger than the number of shares to which a price quote applies. Large market orders may be executed in multiple lots at different prices. If you enter a large marketable order at or near the market close or at or near a trading halt, you acknowledge that Schwab may not be able to fill all or part of that order prior to the

market close and you agree that Schwab is not responsible for any alleged market losses associated with that order.

You should understand that you can limit the risk of price fluctuations by placing a limit order. However, if you place a limit order, you are less likely to get an execution. Schwab can provide no assurance that your limit order will be executed at any particular time, or at all. If you do not understand the purpose or effect of either market or limit orders, you agree to call a Schwab representative to assist you.

26. Good-till-Cancelled Orders

To the extent applicable to an investment that qualifies as an investment in regulated investment company stock under 403(b)(7) of the Code, good-till-cancelled (GTC) orders will be automatically cancelled at the close of the session on the date you confirmed at the time of order entry or the last day the market is open if the date you confirmed is a weekend or holiday. You acknowledge that if you do not cancel an open GTC order, the transaction may be completed based on your original instructions. For securities that pay cash dividends or that split, unless otherwise instructed, open GTC orders will be adjusted in accordance with stock exchange regulations.

27. Order Routing and Execution

In arranging for the execution of non-directed orders for equities and listed options, Schwab seeks out industry-leading execution services and access to the best-performing markets. Schwab routes orders for execution to unaffiliated broker-dealers, who may act as market maker or manage execution of the orders in other market venues, and also routes orders directly to major exchanges. Schwab considers a number of factors in evaluating execution quality among markets and firms, including execution price and opportunities for price improvement, market depth and order size, the trading characteristics of the security, speed and accuracy of executions, the availability of efficient and reliable order-handling systems, liquidity and automatic execution guarantees, the likelihood of execution when limit orders become marketable, and service levels and the cost of executing orders at a particular market or firm. Price improvement occurs when an order is executed at a price more favorable than the displayed national best bid or offer. Schwab regularly monitors the execution quality obtained to ensure orders are routed to market venues that have provided high-quality executions over time. Schwab receives remuneration, such as liquidity or order flow rebates, from market venues to which orders are routed, and also pays fees for execution of certain orders. Quarterly information regarding the market venues to which we route orders and remuneration received is available on our website at Schwab.com or in written form upon request. Information regarding the specific routing destination and execution time of your orders for up to a six-month period is also available upon request. Schwab may execute fixed income orders for customers as agent or as principal for our own account. In the bond market, there is no centralized exchange or quotation service for most fixed income products. Prices generally reflect activity by market participants or dealers linked to various trading systems. A small number of corporate bonds are listed on national exchanges. Although Schwab seeks access to major trading systems, exchanges, and dealer markets in an effort to obtain competitive pricing, at any given time it is possible that securities could be available through other trading systems, exchanges, or dealers at superior or inferior prices compared to those available at Schwab. All prices are subject to change without prior notice.

28. Order Change or Cancellation Requests

You acknowledge that it may not be possible to cancel a market or limit order once you have placed it, and you agree to exercise caution before placing all orders. Any attempt you make to cancel an order is simply a "request to cancel." Schwab processes your

request to change or cancel an order on a best-efforts basis only and will not be liable to you if Schwab is unable to change or cancel your order. Market orders, in particular, are subject to immediate execution, and as a general rule, cannot be cancelled once trading begins. No change or cancellation of market orders will be accepted through the Electronic Services. Moreover, Schwab cannot guarantee that cancellation requests for any pending orders, placed shortly before trading begins, will be honored. You understand that Schwab's ability to process cancellation requests will be impacted by market conditions and trading volumes, both of which are out of Schwab's control. If you wish to try to change or cancel your market order, you agree to call a Schwab representative to assist you. Attempting to replace or change a market order through the Electronic Services can result in the execution of duplicate orders, which ultimately are your responsibility. If an order cannot be cancelled or changed, you agree that you are bound by the results of the original order you placed.

29. Mutual Fund Fees, Orders, Distributions and Redemptions

You agree that, in purchasing and redeeming shares of a mutual fund through Schwab, Schwab's policies and procedures will govern such transactions and not those of the mutual fund as described in its prospectus, which may be either more or less beneficial to you as an investor. In particular, you agree that Schwab's policies and procedures on minimum investment requirements, exchange of fund shares, dividend accrual and date for payment of accrued dividends upon redemption of a daily dividend fund may vary from those applicable to direct fund shareholders. You can also be charged a fund's redemption fee that would not be imposed by the fund on direct shareholders holding fund shares under the same circumstances.

Schwab imposes short-term redemption fees on certain mutual fund transactions and reserves the right to restrict individuals who engage in short-term trading of mutual funds from purchasing some or all funds available through Schwab. Our short-term redemption policy, including applicable fees and other restrictions, is available at www.schwab.com and upon request. Schwab can also charge a transaction fee for certain mutual fund transactions; you would not incur this fee if you purchased shares directly from a fund company. Your purchase and sale of mutual fund shares can be subject to additional fees the fund imposes, such as sales loads and contingent redemption fees, that are separate from, and in addition to, the transaction and other fees charged to you by Schwab. You agree to pay, and are solely responsible for payment of, all fees charged to you by Schwab and/or any fund.

You also acknowledge that only certain investments qualify as investments in regulated investment company stock under 403(b)(7) of the Code and that Schwab or a third party may be required, prior to execution of your order, to make a determination as to whether a particular investment so qualifies. You acknowledge and agree that any such required determination may cause a delay between the time you initially place your order and the time the order can be executed. Accordingly, you agree not to hold Schwab liable for any change in the price of such investment during the period of determination and prior to the execution of your order.

Schwab's deadline for receiving customer orders to place with a mutual fund for execution at the price next calculated by the fund may be earlier than the deadline set by the fund in its prospectus. It is your responsibility to verify with us the deadline by which you must place your order with Schwab to obtain the next price calculated. We generally will attempt to have orders received by us prior to our deadline accepted by the fund for execution at the price next calculated by the fund. However, you may receive a later price than the price next calculated by the fund if, due to operational incompatibilities with the fund or other limitations, Schwab is unable to support transmission of the order to the fund prior to the next price calculated by the fund. It is your responsibility to verify with

us whether your order will receive the price next calculated by the fund prior to placing your order with Schwab.

In addition, a mutual fund may decline to execute an order for the price next calculated by it if we do not place the order with the fund by a specified time. You agree that we will not be liable to you for any losses, including lost profits, if the mutual fund does not accept your order for execution at the price next calculated by the fund after our deadline for any reason, including, but not limited to, computer system delays or failures, natural catastrophes or other emergencies, or human error resulting in our late placement of the order with the fund. If a mutual fund declines to accept your order for execution at the price next calculated after our deadline because we did not place the order with the fund by a specified time, Schwab reserves the right, but is not obligated, to place your rejected order with the fund for execution at the price next calculated by the fund after its acceptance of the order.

A fund may also decline a purchase order, in its sole discretion, if the purchase order exceeds a certain size or for any other reason, and Schwab will not be liable for any losses, lost profits, or other damages that allegedly result from the fund's rejection of that purchase order. If a fund declines your purchase order for any reason other than the time we placed the order with the fund, we will cancel the order and, if practicable, attempt to notify you; we will not make another attempt to place such a declined purchase order with the fund.

If you place an order to buy or sell a specific dollar amount of a mutual fund, Schwab will calculate the number of shares bought or sold by dividing the dollar amount of the order by the price and rounding to the nearest three decimal places. Due to rounding, the actual value of the shares bought or sold may be slightly greater or less than the actual dollar amount of your order. If you place an order to buy or sell a specific number of shares of a fund, Schwab will calculate the dollar amount of the purchase or sale by multiplying the number of shares by the price and rounding to the nearest two decimal places. Due to rounding, the actual dollar amount may be greater or less than the actual share amount of your order.

Schwab does not have any obligation to advance redemption proceeds and distributions related to mutual fund shares to your account before we have received them from the mutual fund. In the event we do advance such proceeds or distributions, such amounts will constitute indebtedness owed to us by you, secured as described in the section entitled "Security for Indebtedness" until they are received from the fund. We reserve the right to reverse the transaction pending receipt of payment from the fund. Schwab is not obligated to pay any interest on distributions from mutual funds or other issuers (including, but not limited to, issuers of equity securities) until such distributions are received by Schwab.

If a mutual fund exercises its right to redeem your shares "in kind" by delivering to Schwab portfolio securities in payment for your shares instead of cash, Schwab will hold these securities in your account subject to your instructions. If, however, Schwab does not normally custody or effect transactions in securities paid to you by your mutual fund, Schwab will take such action as it deems appropriate to effect delivery of such nonstandard security to you or to an entity able to assume custody or effect transactions in the security. You agree to pay our commission and transaction, processing, custody and other fees, and/or those of the entity to which your non-standard security is delivered, as they exist from time to time and apply to the transactions and services you receive in connection with these securities paid to you by the fund.

30. Notification

We will direct written communications to the mailing address you provided on your Account Application, or as you otherwise specify. If you have opted into electronic delivery for certain Account-related materials, we will direct those communications to the email address you provided. We will presume that you are able to access the email address you provided. By providing us with your telephone number(s), you consent to receiving text messages and phone calls on those telephone number(s) made using an automatic telephone dialing system and/or an artificial or prerecorded voice from us relating to your Account. Any communication we direct to a physical address, email address, facsimile, telephone number, or otherwise is considered delivered to you personally, whether or not you actually receive it.

31. Trade Reports, Confirmations, Statements and Other Account-Related Communications

Schwab will provide you with written confirmation of trades that are executed in your Account as required under SEC Rule 10(b)-10. You agree that Schwab is not legally obligated to provide you with any trade status report other than the written confirmation required by SEC rules and that any other trade status report is provided as a courtesy only. Schwab will not be liable for any losses, lost profits or other damages that allegedly result from delays in or a failure to issue a trade status report. On account statements and trade confirmations, Schwab calculates the quantity, unit price, and market price out to four decimal places if necessary. For settlement purposes, Schwab will round either up or down to the nearest penny any amounts owed to or from Schwab.

You acknowledge that you have an affirmative duty to promptly review any and all trade confirmations and account statements for accuracy and completeness and to immediately notify us of any items you believe to be in error. You agree to waive any objections to the trades, positions, fund transfers, check disbursements, fees and other information set forth on any confirmations and account statements unless you notify us of an unauthorized transaction or other error in writing within 10 days of mailing. You agree that we are not liable for any damages or market fluctuations resulting from an error you fail to timely report to us or your delay in reporting an error to us.

You agree that Schwab may combine communications such as account statements, confirmations and other written communications related to account activity for your accounts in a manner that reduces the number of envelopes mailed to you. Combined communications for accounts that have more than one account holder may be addressed solely to the first-listed account holder or to the account holder who has his or her tax identification number serve as the tax reporting identification number on the account (usually the first-listed account holder).

You agree to notify Schwab if you want any or all of your communications to be mailed separately. If you wish to combine communications for additional eligible accounts that are not automatically combined, please contact Schwab. If you have an account for which you are acting in a fiduciary capacity, it is your responsibility to consider whether it is appropriate for envelopes to be mailed to you that might contain material relating to both your personal and fiduciary capacities. You are responsible for reviewing all of your account statements, any amendments to your account agreement(s), any regulatory notices and any other information that is sent by Schwab.

32. Consent to Electronic Delivery of Records and Regulatory Information

As a condition of your eligibility to receive certain Schwab products, services or offers, or as a condition for you to set up access to your Account through the web or another Electronic Service, upon notice to you, Schwab may require that you accept delivery of

trade confirmations, account statements, prospectuses, issuer information or other documents by electronic means such as electronic mail or through one of our websites. You agree that, after such notice, your enrollment in or acceptance of such products, services or offers, or your new access to the web or Electronic Services, constitutes your consent to electronic delivery of trade confirmations, account statements, prospectuses, issuer information or other documents.

33. Schwab MoneyLink® Transaction Errors

If you think your statement is wrong or if you need more information about a transfer listed on the statement, call or write to us as soon as you can:

Call: 1-800-421-4488

Write: Charles Schwab & Co., Inc.
Attn: Document Control
P.O. Box 982600
El Paso, TX 79998

OR

Charles Schwab & Co., Inc.
Attn: Document Control
P.O. Box 628291
Orlando, FL 32862-8291

Outside the U.S., call: +1-415-667-8400

For Schwab MoneyLink® Electronic Fund Transfers, we must hear from you no later than 60 calendar days after the date we sent the first statement on which the problem or error appeared. If you tell us orally, we may require you to send us your complaint or question in writing within 10 Business Days. We'll need the following information:

- Your name and account number,
- A description of the error or transaction you're unsure about,
- A clear explanation of why you believe it's an error or why you need more information, and
- The dollar amount of the transaction or suspected error.

We will tell you the results of our investigation within 10 Business Days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question.

If you are a new customer and the error or question concerns a Schwab MoneyLink® Electronic Fund Transfer that occurred within 30 days after the first deposit was made to your Schwab Account or Schwab 403(b)(7) Account, we will tell you the results of our investigation within 20 Business Days after we hear from you. If we need more time, we may take up to 90 days to investigate.

In addition, we may take up to 90 days to investigate if the error or question relates to a Schwab MoneyLink® Electronic Fund Transfer that was initiated outside of the United States or resulted from a point-of-sale debit card transaction.

If we decide we need the additional time to investigate your complaint or question, we will provisionally credit your Account within 10 Business Days (or 20 Business Days for errors or questions relating to transactions that occurred within 30 days after the first deposit was made to the Schwab Account or Schwab 403(b)(7) Account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in

writing and we do not receive it within 10 Business Days (or 20 Business Days if applicable), we may not credit your Account.

We will tell you the results within three Business Days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

34. UBTI Reporting

You acknowledge that Schwab, as custodian of your 403(b)(7) Account, is required by law to file an annual federal income tax return on behalf of the 403(b)(7) Account for each year in which the 403(b)(7) Account has unrelated business income (“UBI”) of more than \$1,000. In cases where such a tax return must be filed, you agree to provide to Schwab (no later than April 15 of the year following the year in which the tax was incurred) the K-1 Partnership form which sets forth the 403(b)(7)'s shares of income from the partnership. Schwab will compute the tax owed with respect to the 403(b)(7) Account based on the K-1 forms provided to Schwab, file the annual tax return with the Internal Revenue Service and pay the tax from funds available in the 403(b)(7) Account. You agree that, if your 403(b)(7) Account holds assets that generate UBI, your 403(b)(7) Account at all times will contain liquid funds to pay any tax imposed on UBI at the time this tax obligation becomes due, as well as Schwab's charges for preparing returns, and that if necessary to satisfy your tax obligation, as well as Schwab's charges for preparing tax returns, you will liquidate assets or contribute sufficient amounts to your 403(b)(7) Account (even if your contribution constitutes an “excess contribution”). You further agree that, to the extent funds are not available, Schwab is authorized to liquidate any investments in your 403(b)(7) Account necessary to generate the funds needed to satisfy your tax obligation, as well as Schwab's charges for preparing tax returns. You understand and acknowledge that, in cases where the annual federal tax due is more than \$500, the IRS requires that quarterly estimated tax payments be made. You understand and acknowledge that Schwab will make such quarterly payments on behalf of your 403(b)(7) Account only if you direct us in writing to make these payments, and if you notify us of the amount you wish us to pay each quarter.

35. Unclaimed Property

To the extent applicable to your Account, the unclaimed property law requires us to turn over to the state of your last known address (as shown in our records) personal property which is unclaimed by its owner for a set period of time. Personal property includes assets in customer accounts (including your Schwab Account, if any) as well as uncashed dividend checks and other Schwab checks payable to customers. In general, personal property is considered unclaimed if you have not performed at least one of the following activities within the period of time set by the state:

- Made a deposit, trade or withdrawal in your Schwab Account (if any),
- Written to or otherwise contacted us about your Schwab Account (if any), or
- Otherwise shown an interest in your Account.

Before we turn over the assets in your Account (if any), we will, as required by law, send a notice to the address we currently show on your account statement. You may recover unclaimed property turned over to a state by contacting that state.

36. Monitoring of Conversations

You, and any agent or representative acting on your behalf, agree that we may, but are not obligated to, record telephone calls or listen to conversations you have with any Schwab representative to monitor the quality of the customer service you receive and to verify securities transaction information to banks, mutual funds and other entities

regarding the products or services we offer or arrange on behalf of customers, or for other business reasons. You acknowledge that we may not be able to locate a tape recording unless you can provide the date and time of the conversation and the full name of the representative to whom you spoke. You further agree that Schwab has the sole right to determine how long tape recordings will be retained.

37. Trading or Disbursement Restrictions

You agree that we may place trading, disbursement, or other restrictions on your Account as Schwab deems necessary in Schwab's sole discretion, including, but not limited to, the following circumstances: (i) pursuant to a court order, levy, garnishment, or other legal process; (ii) at the request of a government agency, regulatory body, or law enforcement authority; (iii) in the event of a dispute regarding the assets in your Account, including a dispute between the registered or beneficial owners of the Account; (iv) in the event of a dispute between or among joint or multiple Account holders including, but not limited to, joint or multiple tenants, trustees, or authorized agents; (v) in the event of a dispute between or among beneficiaries, or a dispute regarding the proper beneficiary(ies) of your Account; (vi) pursuant to escheatment laws, rules, or regulations; or (vii) as a result of trading or trade-related violations, which may limit your ability to place trades in your Account, such as a cash-up-front restriction. You agree to abide by any such restriction and not to initiate trades or transactions which would violate the restriction. You agree we may sell securities in your Account to comply with any court order, garnishment, levy, or other legal obligation imposed by a court, government agency, regulatory body, or law enforcement authority. You agree to indemnify and hold Schwab harmless from any claims, losses, damages, or expenses (including reasonable attorneys' fees) caused by or related to any restriction placed on your Account or any transaction placed by you which violates such restriction. You agree to provide any documentation or information requested by Schwab to have a restriction removed from your Account. You agree we can charge your Account a processing fee for processing any court order, garnishment, levy, subpoena, or other legal process Schwab receives in connection with your Account.

38. Multiple-Party Account Disputes, Beneficiary Disputes, and Other Account Disputes

In the event of a dispute or disagreement (i) between or among multiple Account holders including, but not limited to, joint or multiple tenants, trustees, or authorized agents, (ii) between or among beneficiaries, or a dispute regarding the proper beneficiary(ies) of your Account, or (iii) regarding the assets in your Account, including a dispute between the registered or beneficial owners of the Account: You agree that we may, but are not obligated to, place trading, disbursement, or other restrictions on your Account as Schwab deems necessary, until such dispute or disagreement is resolved or until Schwab can interplead the assets in your Account and/or pursue other legal process or remedies regarding your Account. You agree to abide by any such restriction and to not initiate trades or transactions which would violate any restriction on your Account.

39. Disclosure of Account Information

We may disclose your name and/or information about your Account or your transactions to our agents and affiliates. We may also disclose such information to third parties in certain circumstances, including:

- To banks, mutual funds and other entities that are involved with the products or services we offer or arrange on behalf of our customers;
- When it is reasonably requested by a third party in order to complete a transaction;
- To verify the existence or condition of your Account for a credit bureau or merchant;

- To comply with a subpoena, court order or request from a government agency or law enforcement authority;
- To evaluate your creditworthiness or the collectibility of any debt you owe us;
- Pursuant to Rule 14b-1 under the Securities and Exchange Act of 1934, to companies in which you hold securities, unless we receive your written objection; or
- If you give us your permission.

40. Trusted Contact Person and Temporary Holds on Your Account

A Trusted Contact Person (“TCP”) is someone at least 18 years of age you tell us we can contact if we suspect you may be subject to financial exploitation or if we have questions about your mental or physical well-being. For example, many people in their advancing years may demonstrate declining cognitive ability. The TCP may be able to help you and Schwab in such circumstances. Designating one or more TCPs is solely your decision and is optional.

By electing a TCP, you understand that you have authorized Schwab to contact the TCP at our discretion and to disclose any information about your account to help us address the situations noted above. This includes disclosing information about your account to address possible financial exploitation, confirming the specifics of your current contact information, your mental and physical health status, or the identity of any legal guardian, executor, trustee, or holder of a power of attorney on your account(s); or as otherwise permitted by industry regulations or state law.

If the account is an incorporated organization account, each authorized agent on your account is a TCP. This means that you have authorized Schwab to contact the TCP at our discretion and to disclose any information to address possible financial exploitation, to confirm the specifics of your current contact information, health status, or the identity of any legal guardian, executor, trustee or holder of a power of attorney, or as otherwise permitted by industry regulations or state law.

If you have an advisor on your account (independent or affiliated with Schwab), you understand that you are authorizing both Schwab and your advisor to contact the TCP and we may share TCP information with each other and may coordinate on any conversations with a TCP and on any follow-up actions. You agree that Schwab will not be responsible for, and cannot monitor, your advisor’s use of the TCP information.

Your TCP will be the same for all your accounts (except for incorporated organization accounts), so if you provide or update your TCP for one account, it will apply to all of your accounts (except for incorporated organization accounts). You may change or remove your TCP at any time by contacting Schwab by phone, in writing, or through our website in the manner we designate. If your account has multiple owners, each account holder has the option to elect their own TCP(s). In other words, if this is a joint account, your TCP will not necessarily apply to your joint account holder. A TCP is a source of information for Schwab and is not a power of attorney. A TCP is not authorized to make investment decisions or withdraw funds from your account.

You authorize us to place a temporary hold on disbursements of funds or securities from your account or, in some cases, a temporary hold on transactions if Schwab reasonably believes financial exploitation has been attempted or has occurred in your account or in other circumstances we believe are necessary for your protection. You also acknowledge that we may report any reasonable belief of financial exploitation, or in other circumstances we believe are necessary for your protection, to the applicable state securities administrator, to a state adult protective services agency, or to law enforcement agencies.

Providing Schwab with a TCP does not ensure that financial exploitation will not be attempted or occur. You agree to indemnify and hold harmless Schwab, its affiliates, and their directors, officers, employees, and agents from and against all claims, actions, costs, and liabilities, including attorney's fees, arising out of or relating to: Schwab contacting your TCP; Schwab putting a temporary hold on disbursements of funds and/or securities from your account; and Schwab not contacting your TCP or placing temporary holds on disbursements of funds and/or securities from your account.

41. Privacy Policy, Extended-Hours Trading and Other Terms and Disclosures

Schwab from time to time will inform you of terms and conditions for accessing or using products or services Schwab offers, including, but not limited to, accessing our website and participation in an extended-hours trading session. Such terms and conditions, when accepted by you as indicated either by your actions or express acknowledgment, become part of your Account Agreement with Schwab, and you agree to abide by the requirements of those terms and conditions.

Schwab also will inform you from time to time of important disclosures and notices pertaining to your access or use of Schwab products or services, including, but not limited to, our privacy policy and the risks of buying or selling certain securities or trading in an extended hours session. You agree that your use of such products or services is an acknowledgment that you have understood the disclosure, notice or policy, and that you agree to any action taken by Schwab in accordance with the stated disclosure, notice or policy.

Extended Hours Trading Session

Schwab's extended hours trading offering has two components: a pre-market session that operates from 7:00 a.m. to 9:25 a.m. ET, and an after-hours session that operates from 4:05 p.m. to 8:00 p.m. ET. These sessions are completely independent from the regular market session.

Orders for the pre-market session may be entered beginning at 8:05 p.m. ET on the prior trading day, but will not be eligible for execution until the session officially opens at 7:00 a.m. ET on the following trading day. Orders for the after-hours trading session can be entered and will be eligible for execution beginning at 4:05 p.m. ET.

Other financial service providers may offer trading services outside of regular market hours that differ significantly from Schwab's extended hours trading sessions.

Order Types

Schwab only accepts limit orders in extended hours trading sessions. Market orders will not be accepted.

Order Prices

Schwab does not accept limit orders in sub-penny prices. A sub-penny price is any price entered more than two digits to the right of the decimal (i.e., 0.123, 1.123, 10.1234, etc.).

Maximum Share Sizes

The maximum share size is 25,000 shares in extended hours trading sessions.

Extended Hours Trading Session Disclosure

- Risk of Lower Liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity in that market. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities and, as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity

in extended hours trading as compared to regular trading hours. As a result, your order may only be partially executed, or not at all.

- **Risk of Higher Volatility.** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular trading hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.
- **Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular trading hours, or upon the opening the next morning. As a result, you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.
- **Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.
- **Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after regular trading hours. Similarly, important financial information is frequently announced outside of regular trading hours. In extended hours trading, these announcements may occur during trading and, if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
- **Risk of Wider Spreads.** The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

Appropriateness of Extended Hours Trading: Schwab does not warrant or recommend that extended hours trading is appropriate for you. As noted above, extended hours trading involves special risks, and it may not be appropriate for all investors. Investment decisions you make involving extended hours trading are your responsibility.

Potential Changes to Extended Hours Trading: Schwab reserves the right to change its extended hours trading session. You will need to keep up to date on these changes and review how they might affect your own investment decisions.

Clearly Erroneous Policy: Schwab may be subject to the Electronic Market's "clearly erroneous policies." A clearly erroneous trade occurs when someone has entered an order with an obvious error in any term, such as security identification, price, or number of shares. Upon request, the Electronic Market may review a transaction to determine if it was clearly erroneous and may reverse or "break" such a trade. This could have the effect of placing you in the position you were in before the transaction. If you wish to have a transaction reviewed, please contact a Schwab representative immediately, as you must make an appeal within 30 minutes of the execution time for a "break" to be considered.

Electronic Services Agreement and Use Agreement: Your use of the extended hours trading session is governed by your existing account agreements with Schwab, including the "Electronic Services Agreement." The information, news, research, quotations, and other content available to you during the extended hours trading session is also subject to the "Use Agreement." As a Schwab customer, you have previously consented to these agreements, which are available for your review under the Agreements link that appears on one or more pages in the Customer Center.

42. Separability

If any term of this Agreement is found to be invalid or unenforceable, all other provisions will remain in full force.

43. Interest, Dividend and Other Payments

If you are entitled to receive dividend, interest or other payments on investment instruments, we, in our sole discretion, may choose to pay such proceeds to you only upon receipt of payment by us from the issuer.

If the net amount of any dividend, interest or other payment set to be automatically disbursed to you by check is less than \$100, it will remain as a credit balance in the Account and will not be automatically sent to you. Weekly disbursements less than \$100 will accrue in your account until the end of the month and you will be sent a check if the combined total equals \$100 or more.

44. Entire Agreement, Amendment and Waiver

The Account Agreement, as amended from time to time, is the complete statement of your agreement with us. On prior or concurrent written notice to you, we may modify or rescind existing provisions or add new provisions. By not closing or by continuing to use your Account, you confirm your agreement to abide by the Account Agreement, as amended from time to time.

Notwithstanding the foregoing, with respect to any Account subject to the terms of this Agreement, Schwab may provide you with notice of matters impacting your Account, which notice will include your direction, instruction, and authorization with respect to the action to be taken (or not to be taken, as applicable) with respect to the particular matter related to your Account. We will give you as much advance notice of the action to be taken (or not to be taken, as applicable) as is practicable under the circumstances. You will be deemed to have directed, instructed, and authorized us to take such action (or to not take such action, as applicable) if you fail to provide us with written communication to the contrary within the time period set forth in our notice to you. Your provision of such written communication to us may result in termination of your Account, without penalty imposed by Schwab.

Amendments will not affect rights or obligations either of us incur before the effective date of the amendment. No prior conduct, past practice or oral statement by a Schwab employee or agent can amend or modify this written Agreement.

Waivers of rights under the Account Agreement must be expressed in writing and signed by the party waiving the rights.

A waiver will apply only to the particular circumstance giving rise to the waiver and will not be considered a continuing waiver in other similar circumstances, unless the intention to grant a continuing waiver is expressed in writing.

Our failure to insist on strict compliance with the Account Agreement or any other course of conduct on our part shall not be construed as a waiver of our rights under the Account Agreement.

45. Certain Acknowledgments

You acknowledge and agree that Schwab is the principal underwriter of the Schwab Funds®. This affiliation does not limit the authority of our representatives to provide you with information about any available investment vehicles, including third-party mutual funds that are not affiliated with Schwab.

You further acknowledge that Schwab and its affiliates receive certain remuneration for providing services to the Schwab Funds®, Laudus Funds™, and Schwab ETFs™ (“Schwab Affiliate Funds”) in various capacities, including investment advisory and administrative services, as set forth in the prospectuses of the Schwab Affiliate Funds, as amended from time to time. In addition, Schwab receives shareholder servicing payments from the Schwab Funds® and Laudus Funds™ for the services Schwab provides to fund shareholders that are customers of Schwab.

46. SIPC Protection

The Securities Investor Protection Corporation (SIPC) provides up to \$500,000 of protection in Accounts you hold in a separate Account capacity (for instance, as custodian, joint tenant or sole owner), with a limit of \$250,000 for claims in cash balances. For further details, please see www.sipc.org. This protection does not cover fluctuation in the market value of your securities. Account protection is not provided for the accounts of banks or broker/dealers maintained for their own account.

To obtain information about SIPC, including an explanatory SIPC brochure, please contact SIPC at www.sipc.org or 1-202-371-8300.

47. Authorizations Granted to Advisors

For accounts managed by an advisor, any and all authorizations you grant to your advisor or other third parties with respect to your Account will apply to the successors and assigns of such advisor or other third party, subject to limitations of applicable law.

This provision applies if your Account is managed by an advisor and you have granted your advisor “trading and disbursement” authority and instructed Schwab (either on a form or otherwise) to accept that authority. The trading authority remains the same, and the disbursement authority will continue to include the ability of your advisor to move money from your Account to your accounts of identical registration, whether at Schwab or at other financial institutions, provided that your advisor has not informed Schwab that it has changed this authority. You understand and agree that it will also include the ability of your advisor to move money from your Account to other accounts on which you are a named account holder, whether at Schwab or at other financial institutions (known as “first party” money movement). Examples include journaling or wiring assets between: an individual's account and his/her Individual Retirement Account; an individual's account and his/her revocable living trust; a husband/wife's joint account and the same husband/wife's community property account.

48. Electronic Copies

The electronically stored copy of your (or your agent's) signature, any written instructions or authorizations, the Account Application and the Agreement and Disclosures is considered to be a true, complete, valid, authentic and enforceable record, admissible in judicial, administrative or arbitration proceedings to the same extent as if the documents and records were originally generated and maintained in printed form. You agree to not contest the admissibility or enforceability of Schwab's electronically stored copy of such documents in any proceeding between you and Schwab.

49. Optional Dividends

When a domestic company offers its shareholders a choice to receive a dividend either in cash or stock, we will use your dividend reinvestment election as the basis for allocating future distributions. In other words, accounts that have elected to have their dividends reinvested on the affected security will be credited optional dividends with additional shares, while accounts that have elected to receive their dividends in cash will be paid optional dividends in cash.

50. Processing and Execution of Electronic Transactions

We may elect to review electronic transactions manually before they are submitted. This manual review may result in a delay in execution. For securities transactions, this delay may cause a difference between the execution price and the displayed quote at the time the order was entered. This delay may also result in a limit order becoming ineligible for execution. For electronic funds transfers and wires, this manual review may delay when funds are paid or made available.

51. Independent Branch Leaders Who May Service Your Account

Some Schwab branch offices are operated by an Independent Branch Leader (“IBL”). Although IBLs are not employees of Schwab, they are registered representatives of Schwab and subject to Schwab policies and procedures. IBLs are identifiable by the inclusion of “independent” in their Schwab representative title, signage in their branches, and supporting detail under their “Your Consultant” designation on www.schwab.com. IBLs may hire their own employees to work in their branches. Like other Schwab representatives, IBLs will have access to customer information to help service accounts and sell Schwab products and services. Schwab will inform you if your Account is assigned to an IBL in your geographic area. Whether or not you are assigned to an IBL, you may request service at an IBL branch just like any other branch (for example, if you are traveling). Accounts managed by an advisor will not be assigned to an IBL.

Schwab's Cash Features Program

Schwab's Cash Features Program is the service described in the Cash Features Disclosure Statement that we provide to automatically invest, or “sweep,” the Free Credit Balance in your Account into a liquid investment or to earn interest from Schwab on the Free Credit Balance in your Account. The Cash Features Program permits you to earn income while you decide how those funds should be invested longer term.

Cash Features refers to the following alternatives:

1. The Bank Sweep and Bank Sweep for Benefit Plans features, each of which automatically makes deposits to and withdrawals from deposit accounts at one or more banks whose deposits are insured by the FDIC; and
2. The “Money Fund Sweep” feature automatically invests in and redeems shares of a Schwab® Sweep Money Fund; and
3. The “Schwab One® Interest” feature pays you interest on your Free Credit Balances.

Please note that certain foreign Schwab affiliates may have different Cash Features than the ones listed above.

Schwab can change the eligibility criteria for Cash Features on advance written notice to affected clients, or make certain Cash Features available to clients that do not otherwise meet published criteria.

You will not receive a separate confirmation for transactions in your Cash Feature. Your Account statements will reflect all transactions in your Cash Feature (including purchases, redemptions, dividends, dividend reinvestments, deposits, and interest).

Changing Your Cash Feature

When you opened your Account, you either selected a Cash Feature or were informed of the Cash Feature that was designated for your Account.

You authorize Schwab to make deposits, withdraw cash, or purchase and redeem securities in accordance with the eligible Cash Feature you have designated or the Cash Feature that has been designated for your Account.

You may change your Cash Feature election to another eligible Cash Feature by contacting Schwab.

If you request a change from one Cash Feature to one of the alternatives available to you, Schwab will generally effect that change the following Business Day, but reserves the right to take longer if necessary to properly process your request. This may result in the loss of one or more Business Days' interest or dividends. During this time, we will earn and retain interest on your funds, generally at money market rates. See the "Float Disclosure" section for more information.

As a condition to changing your Cash Feature, Schwab will transfer the funds in your prior Cash Feature to your new Cash Feature. In other words, Schwab will redeem all shares in your Schwab® Sweep Money Fund or withdraw all funds deposited at a bank, as applicable, and place the proceeds or the funds in your new Cash Feature.

Changes to Your Cash Feature and the Cash Features Program by Schwab

You understand and agree that Schwab can (i) make changes to the terms and conditions of our Cash Features Program; (ii) make changes to the terms and conditions of any Cash Feature; (iii) change, add, or discontinue any Cash Feature; (iv) change your investment from one Cash Feature to another if you become ineligible for your current Cash Feature, your Cash Feature is discontinued, or such change is required pursuant to any regulatory requirement; and (v) make any other changes to the Cash Features Program or Cash Features as allowed by law. Schwab will notify you in writing of changes to the terms of the Cash Features, changes to the Cash Features we make available, or a change in the Cash Features Program prior to the effective date of the proposed change.

If you become ineligible for a particular Cash Feature or if Schwab discontinues your Cash Feature, then you authorize Schwab to designate another Cash Feature for which your Account is then eligible and transfer the funds from the ineligible or discontinued Cash Feature to the Cash Feature designated by Schwab for you. Schwab will notify you in writing prior to such change. The notice will describe the new terms and conditions of the Cash Features Program, your new Cash Feature, and the options available to you if you do not wish to accept the new Cash Feature. If you would like to choose another Cash Feature that is an available option, you agree to respond to us in the manner and within the time period set forth in the notice. If you do not respond within the specified time period, you agree that Schwab may treat your non-response as your acceptance of the new Cash Feature. Your authorization will remain in effect until you give us notice to the contrary. Your notice to us will not affect any obligations resulting from transactions initiated prior to our receipt of the notice.

A change in your Cash Feature may result in the loss of one or more Business Days' interest or dividends while your transaction is being processed. During this time, we will earn and retain interest on your funds, generally at money market rates. See the "Float Disclosure" section for more information.

Bank Sweep and Bank Sweep for Benefit Plans Features

The "Bank Sweep" and "Bank Sweep for Benefit Plans" features automatically make deposits to and withdrawals from deposit accounts at one or more banks as described in the Cash Features Disclosure Statement. The balances in your deposit accounts at the banks are eligible for FDIC insurance within applicable limits. Deposit accounts at the banks held in your Account are not eligible for SIPC insurance.

Sweep Procedures for the Bank Sweep, Bank Sweep for Benefit Plans, and Money Fund Sweep Features

You authorize us to act as your agent to make deposits to and withdrawals from deposit accounts at one or more banks or purchase and sell shares in a Schwab® Sweep Money Fund in accordance with the Cash Features Disclosure Statement.

A Free Credit Balance of one dollar (\$1) or more in your Account on any Business Day will be swept into one or more banks or Schwab® Sweep Money Fund, as applicable, after the close of business on that Business Day and generally will not begin earning interest or dividends until the following Business Day. Proceeds from the sale of securities will be swept the Business Day following settlement, provided that the securities sold have been received in good deliverable form prior to the Settlement Date. Schwab has sole discretion to change when and how often sweeps occur upon advance written notice to you.

If, on any given day, the accrued daily dividend for your Schwab® Sweep Money Fund as calculated for your Account is less than half of one cent (\$0.005), your shares will not earn a dividend for that day. In addition, if you do not accrue at least one daily dividend of \$0.01 during a pay period, you will not receive a money market dividend for that period.

If your deposit accounts or Schwab® Sweep Money Fund, as applicable, accrue interest or dividends, resulting from the investment of money represented by a check or other item that is later returned unpaid, we will debit your Account for the amount of the interest or dividends.

Money Fund Sweep Feature

The “Money Fund Sweep” feature automatically invests in and redeems shares in a Schwab® Sweep Money Fund as described in the Cash Features Disclosure Statement.

Investments in the Schwab® Sweep Money Funds are subject to restrictions described in the applicable Schwab® Sweep Money Fund’s prospectus. For more complete information about a Schwab® Sweep Money Fund, including charges and expenses, read the fund’s prospectus carefully. An investment in a Schwab® Sweep Money Fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

Although investments in Schwab® Sweep Money Funds provide a means of earning a return on cash, there can be no assurance that a Schwab® Sweep Money Fund will be able to maintain a stable net asset value of \$1 per share. In the event that a Schwab® Sweep Money Fund is no longer able to maintain the net asset value of its shares at \$1, then you authorize and instruct Schwab, without further notice to you, to redeem all of your Schwab® Sweep Money Fund shares as soon as commercially practicable and deposit the proceeds in your Account.

Schwab® Sweep Money Funds may, to the extent permitted by law, include money market funds for which Schwab or its affiliates receive transaction and other fees for providing services (such as investment advisory, administration, transfer agency, distribution, and shareholder services), and these fees will vary depending on the money market fund (or share class) used. No portion of these fees will reduce or offset the fees otherwise due to Schwab in connection with the Account unless required by law.

Pursuant to regulation or law, your account may be ineligible to invest in certain Sweep Money Funds.

Schwab One® Interest Feature

The Schwab One® Interest feature pays you interest on cash awaiting investment. If you are receiving interest from Schwab under the Schwab One® Interest feature, you agree that the Free Credit Balance in your Account is maintained for purposes of making investments, and not solely for the purpose of receiving such interest. Schwab reserves the right to stop paying interest on your Account, change your Cash Feature, close your Account, or take any other action if Schwab, in its discretion, concludes that your Free Credit Balances are maintained solely for the purpose of receiving interest.

The Schwab One® Interest feature is subject to the terms and conditions set forth in the Cash Features Disclosure Statement, including the manner of setting interest rates and the crediting of interest. If, on any given day, the interest that Schwab calculates for your Account in accordance with the foregoing is less than \$0.005, you will not earn any interest on that day.

Schwab will pay interest on remittances by check beginning on the first or second Business Day after the check is deposited, depending on the location of your bank. Interest will accrue even if a hold is placed on the check. However, if we have credited your Schwab One® Account for interest on funds represented by a check or other item that is later unpaid, we will charge your Schwab One® Account for the amount of the interest paid.

Limited Liability

If Schwab fails to sweep, or pay interest on, your Free Credit Balance according to the Cash Features Disclosure Statement, Schwab's liability is limited to the actual amount of interest or dividends you would have earned had the Free Credit Balance been invested, deposited, or credited in the manner described in the Cash Features Disclosure Statement.

You agree to hold us harmless if we do not make withdrawals or liquidate shares to satisfy debits in your Account. If you intend to send funds to settle securities transactions, we must receive these funds on the Business Day before the Settlement Date to prevent an automatic redemption.

Float Disclosure

You agree that Schwab will retain as compensation for services your Account's proportionate share of any interest earned on aggregate cash balances held in Schwab's bank account with respect to (1) assets awaiting investment or (2) assets pending distribution from your Account. Such interest retained by Schwab shall generally be at money market rates. Assets awaiting investment or deposit include: (1) amounts deposited by you into your Account; and (2) any other uninvested assets held by your Account caused by an authorized instruction to Schwab to purchase or sell securities (which may, after the period described below, automatically be swept into a Schwab® Sweep Money Fund). With respect to such assets waiting investment or deposit: (i) where such assets are received by Schwab on a Business Day and before deposit cutoff time for the local Schwab Investor Center with which the funds are deposited, such interest may be earned by Schwab through the beginning of the following Business Day; (ii) where such assets are received on a day which is not a Business Day, or where such assets are received after the local Schwab Investor Center's deposit cutoff time, such interest may be earned through the beginning of the second following Business Day.

When Schwab receives a request for a distribution from your Account, Schwab generally processes the request within two or three Business Days (unless the distribution is in connection with an unusual event such as death or divorce, in which case it generally will

take longer to process the request). On the same day that the processing is completed, the amount of the distribution will be debited from your Account. The distribution check will be written and mailed on the following Business Day. You agree and acknowledge that Schwab will earn interest beginning on the date your Account is debited and ending on the date the check is presented for payment, the timing of which is beyond the control of Schwab. Upon request, Schwab will provide you a verbal update to determine the status of your outstanding distribution checks.

If you request a Schwab MoneyLink® transfer from your Account to another financial institution: (i) the amount of the transfer will be debited from your Account on the day that the transfer process is commenced; (ii) the funds will be received by the other financial institution within one to two Business Days of the date the transfer process is commenced; and (iii) you agree and acknowledge that Schwab may earn interest on that amount beginning on the date your Account is debited and ending on the date the Electronic Fund Transfer is received by the other financial institution and thereby debited from Schwab's bank account.

If you choose to change your Cash Feature from one Cash Feature to another, or if Schwab changes your Cash Feature from one Cash Feature to another, you will generally stop earning interest or dividends, as the case may be, on the day of your request. If you or Schwab designate a new Cash Feature before the close of business on a Business Day, your Free Credit Balances will be swept to your new Cash Feature after the close of business that Business Day, and generally will begin earning dividends or interest, as the case may be, on the following Business Day. If you or Schwab designate a new Cash Feature after the close of business or on a non-Business Day, your Free Credit Balances will be invested or deposited into your new Cash Feature after the close of business on the next Business Day, and generally will begin earning dividends or interest on the Business Day following the next Business Day. If you request that Schwab automatically send dividends, interest, or other payments directly to you, and the Account has a Schwab® Sweep Money Fund as a Cash Feature, net payments will not accrue interest between the time they are credited to the Account and the time they are disbursed to you.

Electronic Services Agreement

1. Use of Electronic Services

Scope of the Agreement. This Electronic Services Agreement (the "Agreement") between you and Schwab states the terms and conditions that govern your use of Schwab's Electronic Services. It is part of your Schwab Account Agreement. The term "we," when used below, means Schwab. The term "Electronic Services" includes all of Schwab's computer, telephonic, facsimile, email or wireless services or systems. This includes services and information accessible through Schwab, or service providers used by Schwab, including, but not limited to:

- Schwab's proprietary software such as Velocity® and StreetSmart Pro®;
- Schwab's website;
- Schwab's computers and networks that are accessible externally;
- Schwab by Phone™ and TeleBroker®;
- Schwab's wireless services, including Schwab Wireless; and
- Any other computer, telephonic or wireless securities trading services or information system Schwab provides to you, including successors to the systems described above.

Services Provided. Schwab's Electronic Services allow you to enter orders to buy and sell certain securities, stock options and mutual funds within your Schwab Account, and to

access securities price quotations, investing information and your personal account information. The Electronic Services are accessible via computer, telephonic or wireless transmissions for use on compatible personal, home or small business computers, including Internet appliances with modems, terminals and network computers, as well as various wireless devices. You understand that in order for Schwab's Electronic Services, including future services available from Schwab, to perform to your satisfaction, or at all, you are solely responsible for the hardware, software or other technology you use to access Schwab's Electronic Services. Schwab will not be responsible for any service difficulties resulting from your failure to possess technology adequate to use Schwab's Electronic Services to your satisfaction.

Your Agreement. By using Schwab's Electronic Services, you agree to comply with the terms and conditions of this Agreement. Schwab has the right to modify or terminate this Agreement in any way at any time, and we will provide you with notice of any modifications. You further agree to abide by any rules, procedures, standards, requirements or other conditions we may establish in connection with the use of our Electronic Services or any other electronic communications services made available by Schwab.

2. Risks of Electronic Trading

Access to the Electronic Services may be limited or unavailable during periods of peak demand, market volatility, systems upgrades or maintenance, or for other reasons. If the Electronic Services are unavailable or delayed at any time, you agree to use alternative means to place your orders, such as calling a Schwab representative or visiting one of our Investor Centers. Schwab will not be liable to you if you are unable to access your Account information or request a transaction through the Electronic Services. (See "Limitations of Liability," Section 5.)

When you use the Electronic Services to place a trade order, you acknowledge that your order may not be reviewed by a registered representative before being routed to an exchange for execution and you also will not have the opportunity to ask questions or otherwise interact with a Schwab representative.

By placing a trade through the Electronic Services, you voluntarily agree to assume any added risk that may result from the lack of human review of your order in exchange for the reduced commissions and potentially greater convenience of electronic trading.

Schwab posts "Urgent Notification" on its website to alert you to various Electronic Services and market conditions issues. You agree that you will read any Urgent Notification before placing orders through the Electronic Services and will be deemed to have knowledge of any such Urgent Notification that is posted when you place an order.

3. Fast and Volatile Market Conditions

During periods of heavy trading and/or wide price fluctuations ("Fast Markets"), there may be delays in executing your order or providing trade status reports to you. In addition, if you place a market order in a Fast Market, there may be a significant difference in the quote you receive prior to or at the time you place the order and the execution price you receive.

If the Electronic Services are available, and you decide to place an order in fast or volatile market conditions, you agree to accept full responsibility for that order. If Schwab believes any particular stock is or may be volatile, Schwab may, but is not obligated to, decline to allow customers to place orders for that stock through the Electronic Services. In addition, Schwab reserves the right, but is not obligated, to prevent any IPO stock from being traded through the Electronic Services. In either of these situations, you or

your advisor, if you have one, may be required to contact a Schwab representative to assist you with transactions in these stocks. Schwab is not liable to you for any losses, lost opportunities or increased commissions that may result from your being unable to place orders for these stocks through the Electronic Services.

4. Financial Market Information; No Warranty

Financial Information. Schwab's Electronic Services make available certain financial market data, quotes, news, research and opinions (including Research Reports, as defined below) or other financial information (collectively, "Information") that has been independently obtained by certain financial market information services, financial publishers, various securities markets (including stock exchanges and their affiliates), investment bankers and other providers (collectively, the "Information Providers") or has been obtained by Schwab. Schwab does not guarantee or certify the accuracy, completeness, timeliness or correct sequencing of the Information made available through Schwab, the Information Providers or any other third party transmitting the Information (the "Information Transmitters"). You agree that neither Schwab, the Information Providers nor the Information Transmitters shall be liable in any way for the accuracy, completeness, timeliness or correct sequencing of the Information, or for any decision made or action taken by you relying upon the Information. You further agree that neither Schwab, the Information Providers nor the Information Transmitters will be liable in any way for the interruption of any data, Information or other aspect of Schwab's Electronic Services. You understand that none of the Information (including Research Reports) available through Schwab's Electronic Services constitutes a recommendation or solicitation that you should purchase or sell any particular security.

Research Reports. Schwab's Electronic Services make available analyst research and opinions ("Research Reports") that may be prepared by Schwab or one of its affiliates, or by various third-party investment bankers or other entities providing analysis, research and opinions ("Third-Party Research Providers"). Schwab does not endorse or approve Research Reports prepared by Third-Party Research Providers and only makes such Research Reports available to you as a service and convenience. Schwab and the Third-Party Research Providers do not (1) guarantee the accuracy, timeliness, completeness or correct sequencing of the Research Reports, or (2) warrant any results from your use of the Research Reports. The Research Reports have been prepared as of the date indicated and may become unreliable for various reasons, including, for example, changes in market or economic circumstances. Schwab and each Research Provider are not obligated to update any information or opinions contained in any Research Report or to continue to offer Information or Research Reports regarding any company or security. You acknowledge that recommendations in the Research Reports to buy, sell, hold or otherwise consider particular securities are not, and should not be construed as, recommendations or advice to you designed to meet your particular objectives or financial situation. From time to time, Schwab and/or a Research Provider may be unable to provide Research Reports with respect to certain companies with which Schwab and/or a Research Provider, or their respective affiliates, have certain business relationships.

Disclaimer of Warranties. There is no warranty of merchantability, no warranty of fitness for a particular use and no warranty of noninfringement. There is no other warranty of any kind, express or implied, regarding the Information, including Research Reports, or any aspect of Schwab's Electronic Services (including, but not limited to, information access and order placement or execution).

Agreement Not to Contact Analyst. You agree not to contact any individual or analyst who is an author of, or who is named on, any Research Report, or any representative of any Information or Research Provider.

Arbitration. You agree that any controversy which may arise between yourself and any Third-Party Information or Research Provider and any of their officers, directors, affiliates and employees shall be resolved in arbitration in accordance with the terms and conditions of the arbitration agreement(s) entered into between you and Schwab at the time you opened your Schwab account(s), and as amended from time to time.

Disclosure of Potential Relationships. Schwab and/or its employees or directors as well as consultants to Schwab may have or may have clients with positions in securities or companies referenced in Information, including Research Reports, and may, as principal or agent, buy from or sell to customers. From time to time, Schwab may perform investment banking or other services for, or solicit such services from, companies mentioned in Information.

Securities Professionals May Not Use Research Reports in Their Business. If you are a securities broker, dealer or investment banker, by requesting or receiving any Research Reports, you agree not to use any such Research Reports for any purpose related to your business.

5. Limitations of Liability

Limitation of Damages. Schwab, the Information Providers, Information Transmitters, Third-Party Research Providers, and any other person involved in transmitting Information will not be liable under any circumstance for any consequential, incidental, special or indirect damages even if you advise them of the possibility of such damages. This includes, but is not limited to, claims for lost profits, trading losses and damages that may result from the use, inconvenience, delay or loss of use of the Information or for omissions or inaccuracies in the Information. As a condition to accessing or receiving the Information, you expressly agree to waive any claim you may have against Schwab, any Information Provider, Research Provider, or any other persons involved in transmitting any Information Schwab makes available to you.

By accessing or receiving Information, you agree that the liability of Schwab, the Information Providers, the Third-Party Research Providers, or any other persons involved in transmitting Information arising out of any legal claim (whether in contract, tort or otherwise) in any way connected with Schwab's Electronic Services or Information will not exceed the amount you originally paid for the Electronic Services related to your claim.

Some jurisdictions do not allow limitations on how long implied warranties last, the exclusion or limitation of incidental or consequential damages or the exclusion of certain implied warranties, so that these disclaimers and limitations may not apply to you. This Agreement gives you specific legal rights. You may also have other rights which vary from jurisdiction to jurisdiction.

No Liability for Events Outside of Entities' Direct Control. Schwab, the Information Providers, Information Transmitters, Third-Party Research Providers and any other person involved in transmitting Information will not be liable for any loss that results from a cause over which that entity does not have direct control. Such causes include, but are not limited to: (1) the failure of electronic or mechanical equipment or communication lines; (2) telephone or other interconnect problems; (3) bugs, errors, configuration problems or the incompatibility of computer hardware or software; (4) the failure or unavailability of Internet access; (5) problems with Internet service providers or other equipment or services relating to your computer or network; (6) problems with intermediate computer or communications networks or facilities; (7) problems with data-transmission facilities or your telephone, cable or wireless service; or (8) unauthorized access, theft, operator errors, severe weather, earthquakes, other natural disasters or labor disputes. Schwab is also not responsible for any damage to your computer,

software, modem, telephone, wireless device or other property resulting in any way from your use of Schwab's Electronic Services.

6. Consent to Email Communications and Opting Out

By entering into a customer Account Agreement with Schwab or by subscribing to a Schwab Electronic Service, you are consenting to the receipt of electronic mail ("email") from us. We may send you email about services and products we believe may be of interest to you. You may opt out of future email about products or services by following instructions in our privacy policy, on our website, or contained in an email that you receive from us. We reserve the right, however, to email you important information relating to your Account, including regulatory communications.

7. Use of Proprietary Information

The Information provided is the property of Schwab, the Information or Third-Party Research Providers or their licensors and is protected by applicable copyright law. You agree not to reproduce, retransmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit the Information in any manner without the express written consent of Schwab, the Information or Third-Party Research Providers or any other person with the authority to give such consent. You agree that you will not use the Information for any unlawful purpose. You further agree to comply with all reasonable written requests from Schwab intended to protect the Information and Third-Party Research Providers' and Schwab's respective rights in the Information and Electronic Services.

8. Use of Quotes

You agree to use quotes only for your individual use in your business. You will not furnish quotes to any person or entity other than an officer, partner or employee of your business. If you are a securities professional, such as an investment advisor, you may occasionally furnish limited numbers of quotes to your customers and clients, but solely in the regular course of your securities business. If you furnish quotes to your customers and clients who are not on your premises, you may do so solely (i) in written advertisements, educational material, sales literature or similar written communications, or (ii) during telephonic voice communication not entailing the use of computerized voice synthesization or similar technology. You shall not permit any customer or client to take physical possession of "your equipment" (i.e., the equipment that you use to receive, display or otherwise use quotes). You shall abide by any additional limitations on use of quotes that Schwab may specify in the future.

9. Order Change or Cancellation Requests

You acknowledge that it may not be possible to cancel a market or limit order once you have placed it, and you agree to exercise caution before placing all orders. Any attempt you make to cancel an order is simply a request to cancel. Schwab processes your requests to change or cancel an order on a best-efforts basis only and will not be liable to you if Schwab is unable to change or cancel your order. Market orders (including marketable limit orders), in particular, are subject to immediate execution and as a general rule cannot be cancelled once entered during market hours and shortly before market opening. If you wish to try to change or cancel your market order, you agree to call a Schwab representative to assist you. Attempting to cancel and replace or change a market order through the Electronic Services can result in the execution of duplicate orders, which ultimately are your responsibility. If an order cannot be cancelled or changed, you agree that you are bound by the results of the original order you placed.

10. No Legal or Tax Advice

You acknowledge that Schwab does not give legal advice or tax advice. However, we may provide you with general tax and estate planning information and principles. You agree that these principles do not apply to your specific circumstances or take into account your comprehensive tax or estate planning situation.

For that type of assistance, you agree to consult your own tax or legal advisor.

11. Investment Advice

You agree and acknowledge that when you use the Electronic Services, you, or you and an Investment Advisor other than Schwab, if you have one, are responsible for determining the nature, potential value of any particular investment strategy, transaction (including future transactions) or security (including equities and options). Schwab has no responsibility under any circumstance for any such determination unless we otherwise agree with you in writing or unless Schwab gives advice directly to you that is clearly identified as a Schwab recommendation for you to enter into a particular transaction or transactions, or to buy or sell a particular security or securities. You agree that any such Schwab recommendation will remain in effect only for as long as we tell you that it will remain in effect at the time we make the recommendation. Unless we otherwise agree with you in writing, Schwab does not monitor your Account and has no obligation to update any investment recommendation we give you.

Orders May Not Be Manually Reviewed. You understand and acknowledge that when you place orders using Schwab's Electronic Services, those orders may be sent directly to an exchange without being viewed by an individual Schwab representative. You acknowledge that you bear the entire risk and agree to accept full responsibility for the orders you place. You further agree to release Schwab from any liability for executing the orders you place using Schwab's Electronic Services.

12. Access, Passwords and Security

You will be responsible for the confidentiality and use of your access number(s), password(s) and account number(s). You agree not to hold Schwab liable for any damages of any kind resulting from your decision to disclose your access number(s), password(s) or account number(s) to any third party, including, but not limited to, entities that aggregate account information or website content, or persons who are or claim to be acting as your agent, proxy or Investment Advisor. If you inform Schwab or Schwab has reason to believe that the security of your account password may be or has been compromised, we have the right to terminate your use of Electronic Services. You will be responsible for all orders entered through and under your access number(s), password(s) and account number(s), and any orders so received by Schwab will be deemed to have been received from you. All orders shall be deemed to be made at the time received by Schwab and in the form received. You agree to notify Schwab immediately if you become aware of:

- Any loss or theft of your access number(s), password(s) and/or account number(s); or
- Any unauthorized use of any of your access number(s), password(s) and/or account number(s), or of the Electronic Services or any Information; or
- Any failure by you to receive a message that an order initiated by you through the Electronic Services has been received and/or executed through the Electronic Services; or
- Any failure by you to receive accurate written confirmation of an order or its execution within five (5) Business Days after entering the order through the Electronic Services; or

- Any receipt of confirmation of an order that you did not place, or any similarly inaccurate or conflicting report or Information.

13. Data Transmission

You acknowledge that data, including email, electronic communications and personal financial data, may be accessed by unauthorized third parties when communicated between you and Schwab, Information Providers or Information Transmitters, using the Internet, other network communications facilities, telephone or any other electronic means. You agree to use software produced by third parties, including, but not limited to, "browser" software that supports a data security protocol compatible with the protocol used by Schwab. Until notified otherwise by Schwab, you agree to use software that supports the Secure Socket Layer (SSL) protocol or other protocols accepted by Schwab and follow Schwab's logon procedures for Electronic Services that support such protocols. You acknowledge that Schwab is not responsible for notifying you of any upgrades, fixes or enhancements to any such software or for any compromise of data transmitted across computer networks or telecommunications facilities, including, but not limited to, the Internet.

14. Use of Software, Programs, Applications or Other Devices to Access Electronic Services

With the exception of applications commonly known as web browser software, or other applications formally approved by Schwab in writing, you agree not to use any software, program, application or any other device to access or log on to Schwab's computer systems, website or proprietary software, or to automate the process of obtaining, downloading, transferring or transmitting any content, information or quotes to or from Schwab's computer systems, website or proprietary software.

15. Subscription, Service and Use Fees

You agree to pay all subscription, service and use fees, if any, that you are charged by Schwab or its designee for Schwab's Electronic Services. These fees can include, without limitation, any Research Report fees. You agree that these fees can be changed without notice. Schwab reserves the right to enter into fee-sharing arrangements with applicable Information Providers, Information Transmitters, and Third-Party Research Providers.

Payment of Fees. Upon requesting a Research Report, you shall instruct Schwab or its designee to charge the related fee, if any, to a designated Visa® or MasterCard®. If appropriate, you can also elect to charge the fees to your Account. You agree to pay all costs (including attorneys' fees), if any, incurred by Schwab in collecting overdue fees from you. You also agree to pay all federal, state and local taxes resulting from your use or receipt of the Research Reports. You agree to grant Schwab a continuing security interest in the assets in your Schwab brokerage account(s), if any, to secure the timely payment of all fees owed by you for the Research Reports as well as any other amounts owing under this Agreement or your other Agreements with Schwab. If Schwab charges you a fee for Research Reports, Schwab may assign this Agreement only with your consent, to the extent allowed by applicable law.

16. Account Restrictions

If there is a restriction on your Account(s) at Schwab, your use of the Electronic Services' trading functions will be so restricted with respect to such account(s). Further, Schwab reserves the right in its sole discretion to require a cash or equity deposit at any time and to determine the adequacy of any such deposit prior to the execution of any transaction through the Electronic Services. Schwab will not be responsible for any delay or failure to provide the Electronic Services, including the execution of any securities

order, in the event there is a restriction on your Account, you lack sufficient funds in your Account, or you delay or fail to make a required cash or equity deposit.

17. Indemnification

You agree to defend, indemnify and hold Schwab, the Information Providers and the Information Transmitters harmless from and against any and all claims, losses, liability costs and expenses (including, but not limited to, attorneys' fees) arising from your violation of this Agreement, state or federal securities laws or regulations, or any third party's rights, including, but not limited to, infringement of any copyright, violation of any proprietary right and invasion of any privacy rights. This obligation will survive the termination of this Agreement.

18. Our Ability to Suspend or Terminate Electronic Services

Schwab reserves the right to suspend or terminate your access to its Electronic Services or any portion of them, including, without limitation, the Information (including Research Reports) in its sole discretion, without notice and without limitation, for any reason whatsoever. Schwab may suspend or terminate your access to its Electronic Services for reasons including, but not limited to, the unauthorized use of your account access information, breach of this Agreement, discontinuance of Schwab's access to any Information or any other data from any Information Provider or Research Provider, or termination of one or more agreements between Schwab and Information Providers, Third-Party Research Providers or Information Transmitters. Schwab, the Information Providers, the Third-Party Research Providers and the Information Transmitters shall have no liability to you for suspending or terminating your access to Schwab's Electronic Services, provided, however, that if Schwab's suspension or termination is without cause, Schwab will refund the pro rata portion of any fee you may have paid for the portion of the Information and/or Electronic Services not furnished to you as of the date of suspension or termination.

19. Electronic Communications

The Electronic Services you access by computer provide you with the capability to send electronic communications, such as email, directly to Schwab and interact within applicable areas of the Electronic Services. You agree to the following terms with respect to your use of electronic communications through the Electronic Services:

- You will not transmit securities trade orders to Schwab using electronic communications except through those electronic features designated by Schwab for the express purpose of placing trade orders. You acknowledge that Schwab will not act upon trade orders transmitted through electronic communications other than orders you transmit through designated trade order features;
- Schwab shall be entitled, but is not obligated, to review or retain your electronic communications for, among other reasons, monitoring the quality of service you receive, your compliance with this Agreement and the security of the Electronic Services. Schwab is entitled to disclose your electronic communications to the same extent it may disclose other information about you or your Account(s) as provided elsewhere in your Account Agreement(s). In no event will Schwab be liable for any costs, damages, expenses or any other liabilities incurred by you as a result of such activities by Schwab;
- You will not use any electronic communication feature of the Electronic Services for any purpose that is unlawful, abusive, harassing, libelous, defamatory, obscene or threatening. You will not use the Electronic Services to solicit Schwab customers or others or participate in the solicitation of Schwab customers or others for any purpose;
- You will not upload, post, reproduce or distribute any information, software or other material protected by copyright or any other intellectual property right (as well as rights

of publicity and privacy) without first obtaining the permission of the owner of such rights;

- You will not in any way express or imply that the opinions in your electronic communications are endorsed by Schwab without the prior written consent of Schwab;
- If you use the Electronic Services that you access by computer, you agree to provide Schwab with your email address, promptly provide Schwab with any changes to your email address and accept electronic communications from Schwab at the email address you specify; and
- You agree to be bound by any affirmation, assent or agreement you transmit through the Electronic Services you access by computer, including, but not limited to, any consent you give to receive communications from us solely through electronic transmission. You agree that, when in the future you click on an “I agree,” “I consent” or other similarly worded “button” or entry field with your mouse, keystroke or other computer device, your agreement or consent will be legally binding and enforceable and the legal equivalent of your handwritten signature.

20. General

You acknowledge that, in providing you with the Electronic Services, Schwab has relied upon your agreement to be bound by the terms of this Agreement and any user or license agreement(s) related to or accompanying Electronic Services–related software. You further acknowledge that you have read, understood and agreed to be bound by the terms of (i) the user license agreement of any Electronic Services–related software, and (ii) the terms of Schwab’s Account Agreement(s) and any other agreement with Schwab that applies to your Account(s), all as currently in effect and amended from time to time.

21. Modifications

This Agreement may be modified by Schwab upon written notice to you, provided, however, that if Schwab sends you written notice, via electronic communication or otherwise, of a modification, you confirm your acceptance of the modification by not closing and/or by continuing to use your Account.

22. Governing Law

This Agreement, and all future agreements you shall enter into with Schwab, unless otherwise indicated on such other agreement, shall be governed by the law of the state of California, without regard to conflicts of law principles thereof. This is the case regardless of whether you reside or transact business with Schwab in California or elsewhere, except that arbitration provisions shall be governed by the Federal Arbitration Act.

23. Third-Party Beneficiaries

You and Schwab acknowledge and agree that each Information Provider, Information Transmitter and Third-Party Research Provider is an intended third-party beneficiary of this ESA to the extent that the Electronic Services include Information or Research Reports (“Third-Party Beneficiaries”). Each Third-Party Beneficiary is entitled to rely upon all rights, representations, warranties and covenants made by you in this ESA to the same extent as if each Third-Party Beneficiary was a party to this ESA with respect to their own Information or Research Reports. For the avoidance of doubt, all rights and benefits granted under this Agreement to Schwab will also be deemed granted directly to each Third-Party Beneficiary as set forth above. Otherwise, no third party will be deemed to be an intended or unintended third-party beneficiary of this Agreement.

Schwab 403(b)(7) Custodial Account Agreement

Contents

Introduction	49
Definitions	49
Contributions	51
1. Salary Reduction Contributions	51
2. Employer Contributions	51
3. Limitation on Contributions	51
4. Excess Contributions	52
5. Rollover or Transfer Contributions	52
6. Contributions in Cash	52
Investment of Contributions	52
1. Investment Directions	52
2. Potential Delay in Investment	53
3. Delegation of Investment Responsibility	53
4. Uninvested Cash	53
Distributions	53
1. Eligibility	53
2. Payment of Benefits	54
3. Death Benefit	54
4. Qualified Domestic Relations Orders	55
5. Disputed Payments	55
Transfers from Account	56
Powers, Duties and Obligations of Schwab	56
1. Investment	56
2. Administrative Powers	56
3. Shareholder Rights	56
4. Records and Reports	56
5. Right to Request Judicial Assistance	56
6. Scope of Schwab's Duties	57
7. Scope of Schwab's Liability	57
Resignation or Removal of Schwab	57
1. Resignation or Removal	57
2. Successor Custodian or Trustee	57
3. Substitution of Schwab	58
Amendment and Termination of the Agreement	58
1. Closure of Account	58
2. Amendment or Termination by Custodian	58
Fees, Expenses and Indebtedness	58
1. Compensation of Schwab	58
2. Payment of Fees and Expenses*	59
3. Indebtedness	59

Miscellaneous 59

- 1. Prohibition Against Assignment 59
- 2. Applicable Law and Severability 59
- 3. Source of Benefits. 59
- 4. Commingling 59
- 5. Liquidation of Assets 59
- 6. Notices 59
- 7. Assignment 60
- 8. Levy by IRS 60

Introduction

This document, the Schwab 403(b)(7) Custodial Account Agreement, describes features of your 403(b)(7) Custodial Account. Charles Schwab & Co., Inc. (“Schwab,” “we,” “our,” “us,” “the custodian”) will act as custodian of the 403(b)(7) Account (“403(b)(7) Account,” “403(b)(7)” or “Account”) you establish. We intend that the Account you establish will qualify as a Custodial brokerage account within the meaning of Section 403(b)(7) of the Internal Revenue Code of 1986, as amended (the “Code”). Under the terms of the Agreement, Schwab will accept the contributions made to your Account and invest the assets as you direct. Schwab will also provide you with monthly, quarterly, and annual statements on your Account, depending upon activity in your Account. You are responsible for determining the amount of compensation upon which contributions may be based and limiting annual contributions to the maximum amount permitted under the Code. Schwab assumes no responsibility for monitoring your actions in this regard.

This document, together with the 403(b)(7) Account Agreement and the Account Application you complete when you open your 403(b)(7), is the Agreement between you and us.

Definitions

The following contains definitions of technical terms used in the Agreement, many of which are required, word for word, by law.

- **Account/Schwab 403(b)(7) Account/403(b)(7) Account**—The brokerage account established for you under the Agreement, as defined below, which is intended to be a Custodial brokerage account within the meaning of Section 403(b)(7) of the Internal Revenue Code and through which you may buy or sell regulated investment company stock, generally mutual fund shares.
- **Account Application**—The application you sign and submit to open a Schwab 403(b)(7) Account.
- **Agreement**—The agreement you make with us when you open the 403(b)(7) Account, consisting of the Charles Schwab & Co., Inc. 403(b)(7) Custodial Account Agreement, the Account Application, the Charles Schwab 403(b)(7) Account Agreement and any other written agreements between you and us concerning the 403(b)(7) Account, all as amended from time to time.
- **Beneficiary**—The person or persons you designate to receive benefits at your death. If the Plan is an ERISA Plan and if you are married, your Beneficiary must be your spouse unless he/she consents in writing to the designation of a different Beneficiary. This spousal consent must be witnessed by a notary public or, if the Employer’s Plan permits, a Plan representative. You must make your designation in writing, using an acceptable format. Schwab has no responsibility with regard to any violation of ERISA due to failure to designate a spouse as Beneficiary or failure to obtain spousal consent in the manner required by ERISA for designation of a nonspouse Beneficiary. Schwab will rely on you, your Employer, or the third-party administrator of your Employer with regard to the accuracy of the information presented as to your marital status, and Schwab has no responsibility to verify this information independently.
- **Catch-up Contributions**—Additional Salary Reduction Contributions, within the meaning of Code section 414(v), made by you to your Account, which you are eligible to make if you are age 50 or older at year-end.
- **Code**—The Internal Revenue Code of 1986, as amended.
- **Disability**—Your complete inability to engage in any substantial gainful activity because of a medically determinable physical or mental impairment which can be expected to result in death or be of long-continued and indefinite duration.

- **Elective Deferrals**—Salary Reduction Contributions made to your Account, together with any contributions made on your behalf pursuant to: (a) a cash or deferred arrangement described in Code section 401(k) (to the extent not includable in gross income under Code section 402(e)(3)); (b) a salary reduction agreement to a simplified employee pension described in 408(k) (to the extent not includable in gross income under Code section 408(k)(6)); (c) a salary reduction agreement to a SIMPLE retirement account described in Code section 408(p) (to the extent not includable in gross income); and (d) a salary reduction agreement to any other annuity contract or Custodial account described in Code section 403(b) (to the extent not includable in gross income); and (e) deductible employee contributions to a trust described in Code section 501(c)(18).
- **Employer**—The organization named as the Employer on the Account Application. The Employer must be an organization: (a) described in Code section 501(c)(3) and exempt from tax under Code section 501(a); or (b) described in Code section 170(b)(1)(A)(ii) that is a state, political subdivision of a state, or an agency or instrumentality thereof. The term “Employer” includes any entities (i) in the same controlled group as the Employer within the meaning of Code section 414(b); (ii) in the same affiliated service group as the Employer within the meaning of Code section 414(m); or (iii) in the same group of trades or businesses under common control as the Employer within the meaning of Code section 414(c); and (iv) any other entity to the extent that the entity is required to be aggregated with the Employer under Code section 414(o) and related regulations.
- **ERISA**—The Employee Retirement Income Security Act of 1974, as amended.
- **Financial Hardship**—Circumstance under which a distribution from your Account is made necessary because of an immediate and heavy financial need that you cannot reasonably meet from other sources, as determined under Code section 403(b) and applicable regulations, and as certified by you in a writing filed with Schwab.
- **Includable Compensation**—Determined in accordance with Code section 403(b)(3) to mean taxable compensation that you earn for the performance of services for your Employer, disregarding the exclusion for foreign earned income and housing costs under Code section 911. The compensation is measured over your most recent period of employment (ending not later than the close of the taxable year) that is counted as a Year of Service. The term does not include contributions made by your Employer for your benefit for an annuity contract or to a Custodial account (including your Account) described in Code section 403(b) or any amount received by a former employee after the fifth taxable year following the taxable year in which termination from employment occurred. Includable Compensation is calculated without reduction for your Elective Deferrals, and any amount contributed or deferred by the Employer at your election, which is not includable in your gross income by reason of Code section 125, 132(f)(4), or 457. **Schwab is not responsible for calculating your Includable Compensation. Please direct any questions to your tax advisor.**
- **Limitation Year**—The calendar year unless you elect a different period of 12 consecutive months by attaching a statement to your federal income tax return for the Taxable Year in which the election is made.
- **Mutual Funds**—Stock of domestic corporations which are regulated investment companies within the meaning of Code section 851(a).
- **Rollover Contribution**—An eligible rollover distribution within the meaning of Code section 402(c)(4) which qualifies for transfer to a Custodial account established under Code section 403(b).
- **Salary Reduction Agreement**—The agreement entered into by you and your Employer under which you agree to take a reduction in salary or to forego an increase in salary, with respect to amounts earned after the agreement’s effective date, and your Employer agrees to contribute the amount of salary reduced or foregone to your Account. You may terminate the agreement at any time as it applies to amounts not yet earned, but the agreement is irrevocable as to salary earned while the agreement is in force. You may

enter into a new agreement upon termination of your old agreement to the extent permitted by your Employer's plan or policies.

- **Salary Reduction Contributions**—Amounts contributed to your Account pursuant to a Salary Reduction Agreement (including Catch-up Contributions, if any).
- **Taxable Year**—The calendar year or another 12-month period that you use for federal income tax purposes.
- **Year of Service**—Determined in accordance with Code section 403(b)(4) as a Taxable Year during which you are employed by the Employer in full-time employment (determined with reference to the Employer's standards for full-time employment). Each period of full-time employment of less than 12 months, and each period of part-time employment that in the aggregate represents less than 12 months of full-time employment, is counted as a fractional Year of Service. You are credited with at least one full Year of Service at all times. For years beginning on or before December 31, 2001, a church employee within the meaning of Code section 403(b)(2)(C) may aggregate employment with two or more employers related to a church.

Contributions

1. Salary Reduction Contributions

You agree to enter into a Salary Reduction Agreement with your Employer pursuant to which the Employer agrees to pay over Salary Reduction Contributions to your Account, which will be invested as you direct and as described below.

2. Employer Contributions

The Employer may make contributions in cash to your Account if permitted or required under the terms of an Employer Plan. Schwab will credit any Employer contributions to a separate subaccount of your Account that consists solely of Employer contributions and the earnings thereon.

3. Limitation on Contributions

The Code imposes strict limits on the amount you may contribute each Taxable Year. You are responsible for determining whether the contributions made to your Account are within the limits that are described in the following provisions. Schwab does not have a responsibility or obligation to confirm whether your calculations are correct. Contributions made to your Account for a Taxable Year may not exceed the following annual limits:

- (a) Your Salary Reduction. Contributions (excluding Catch-up Contributions) may not exceed Applicable Dollar Amount within the meaning of Code section 402(g). If your Employer is an educational organization, hospital, home health service agency, health and welfare service agency or a church, convention or association of churches (or a tax-exempt organization controlled by or associated with either), and you have completed at least 15 Years of Service, the Applicable Dollar Amount is increased by the least of the following amounts:
1. \$3,000;
 2. \$15,000 reduced by amounts not included in gross income for prior Taxable Years by reason of this sentence; or
 3. The excess of \$5,000 multiplied by your Years of Service over your cumulative Salary Reduction Contributions made by your Employer in prior Taxable Years.
- (b) Contributions to your Account (other than transfers, Rollover Contributions, or Catch-up Contributions), and any contributions made or forfeitures allocated to your Account under any tax-qualified retirement plan that must be taken into account under Treasury

Regulation section 1.415-8(d)(3), made during your Limitation Year, may not exceed the lesser of:

1. \$40,000 as adjusted under Code section 415(d) for cost-of-living increases; or
2. 100% of your Includable Compensation.

If you are an employee of a church, a convention or association of churches, or a tax-exempt organization controlled by or associated with either, you may elect not to have this limit apply to your Account for a Limitation Year so long as contributions do not exceed \$10,000. The total amount of contributions to which this exception may be applied is \$40,000.

4. Excess Contributions

You are responsible for determining whether you have made excess Elective Deferrals in any Taxable Year.

- (a) **Excess Deferrals** If total Elective Deferrals for your Taxable Year exceed the Applicable Dollar Amount described in Section 3 for the year, and you notify Schwab in writing that you are allocating all or part of the excess prior to March 1 of the immediately following year, you may request Schwab to distribute the excess amount (and earnings on such amount) no later than the immediately following April 15, provided that you also furnish redemption instructions to fund the withdrawal. Any excess deferrals that are not distributed to you by April 15 are includable in your income for the prior calendar year, and may be includable in gross income again when distributed from your Account. Schwab is not responsible for determining whether any contributions to your Account represent excess deferrals within the meaning of Code section 402(g)(2)(A), or for ensuring their timely allocation.
- (b) **Other Limits** If your total contributions to your Account for the Taxable Year exceed the limit described in Section 3, you are responsible for paying the 6% excise tax imposed on the excess amount described in Code section 4973(a).

5. Rollover or Transfer Contributions

You may make Rollover Contributions to your Account by completing the form provided by Schwab and executing any other documentation Schwab may require. Transfers to your Account are allowed as described in Code section 403(b)(8). Schwab may request you to provide such information as it deems necessary prior to accepting any rollover or transfer. Schwab shall not be responsible for determining whether any rollover or transfer is proper.

6. Contributions in Cash

All contributions must be made by check or bank wire.

Investment of Contributions

1. Investment Directions

You must direct Schwab with respect to the investment of all contributions to your Account and the earnings thereon. Investments are limited to regulated investment company stock, generally Mutual Funds available for acquisition through Schwab in its regular course of business, as the same may be added or subtracted from time to time, and investments that qualify as investments in regulated investment company stock under Section 403(b)(7) of the Code. If you do not provide Schwab with investment directions, Schwab has no duty to invest, except to the extent provided in Section 3. All transactions are subject to the rules, regulations, customs and usages of the exchange, market or clearinghouse where executed, and to all applicable federal and state laws and

regulations, and to internal policies of Schwab, as set forth in the 403(b)(7) Account Agreement.

2. Potential Delay in Investment

Only certain investments qualify as investments in regulated investment company stock under Section 403(b)(7) of the Code. Schwab or a third party may be required, prior to execution of your investment order, to make a determination as to whether a particular investment so qualifies. Any such required determination may cause a delay between the time you initially place your order and the time the order can be executed. Schwab will not be liable for any change in the price of such investment during the period of determination and prior to the execution of your order.

3. Delegation of Investment Responsibility

You may delegate investment responsibility for all or any part of your Account to an agent or attorney-in-fact by notifying Schwab of the delegation in writing on a form acceptable to Schwab. The notification must identify the name of the person or persons to whom the responsibility is delegated. Schwab will follow the directions of the agent or attorney-in-fact and will be under no duty to review or question any direction, action, or failure to direct or act, of the agent or attorney-in-fact. You may revoke the authority of any agent or attorney-in-fact at any time by notifying Schwab in writing of the revocation. Schwab is not liable in any way for following the instructions of the agent or attorney-in-fact on transactions initiated prior to receipt of a notice of revocation. Schwab is not responsible for application of fiduciary or other requirements which may pertain to investment management under a Plan which is an ERISA Plan.

4. Uninvested Cash

You or your agent or attorney-in-fact must direct Schwab as to the investment of all cash that is not currently invested in assets described above. If you fail to provide such direction, Schwab will treat you as having directed Schwab to invest such cash in the Schwab Money Market Fund™ (“Fund”). If you choose to take advantage of Schwab’s money funds, the terms and conditions of the “Schwab® Sweep Money Funds Agreement” of the 403(b)(7) Account Agreement will apply, in addition to all other terms of the 403(b)(7) Account Agreement. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

Distributions

1. Eligibility

You may receive a distribution from your Account if you (or your Beneficiary, in the event of your death) furnish satisfactory evidence to Schwab that you have reached age 59½, or that you have: (a) severed from employment with your Employer, (b) incurred a Disability, (c) died, or (d) suffered a Financial Hardship. A distribution made to meet a Financial Hardship is limited to the amount of your Salary Reduction Contributions and will not include earnings on such contributions. Schwab will not track your Salary Reductions Contributions in your Account.

2. Payment of Benefits

- (a) **Election to Commence Payment** You must request a distribution on a form acceptable to Schwab.
- (b) **Time for Payment** You may request the distribution of all or any part of your Account anytime, provided you are eligible under Section 1 above. You must request that distribution of your benefits be made or begin not later than April 1 of the calendar year following the later of (i) the calendar year in which you attain age 70½, or (ii) the calendar year in which you retire. You are solely responsible for notifying Schwab when a distribution is required and for computing the minimum distribution amount. If the value of the Account prior to 1987 is determinable, the pre-1987 amount need not be subject to a required minimum distribution until the calendar year in which you attain age 75, or such later date as may be allowed by law or regulation.

The minimum distribution must comply with Code section 403(b)(10). To calculate your minimum distribution for a calendar year, divide the Fair Market Value (FMV) of your Account as of December 31 of the prior year by the applicable Life Expectancy Factor (LEF). Generally, the LEF is found in IRS Regulation 1.401(a)(9)-9, Q&A-2; however, if your spouse is more than 10 years younger than you and is the sole Beneficiary of your Account, the LEF is found in IRS Regulation 1.401(a)(9)-9, Q&A-3.

If you don't comply with these minimum distribution rules, you may be subject to penalty taxes, as described in Code section 72(t).

- (c) **Form of Benefits** You may elect in writing, on a form acceptable to Schwab, to have your benefits distributed in either of the following forms:
1. A lump sum;
 2. Periodic payments of substantially equal amounts for a term certain not to extend beyond your life expectancy, or the joint life and last survivor expectancy of you and your designated Beneficiary. The minimum amount to be distributed each year must be at least an amount equal to the Fair Market Value (FMV) of your Account divided by your Life Expectancy Factor (LEF), as those terms are defined in Section 2(b) above; or
 3. A specific dollar amount as you may direct from time to time.

- (d) **Direct Rollover** You may request Schwab to distribute any portion of an eligible rollover distribution (within the meaning of Code section 402(c)(4)) to an eligible retirement plan (under Code section 402(c)(8)(B)) that you designate as a direct rollover.

3. Death Benefit

- (a) **Designation of Beneficiary** You may designate any person or persons (who may be designated contingently or successively, and who may be an entity other than a natural person) as your Beneficiary or Beneficiaries to whom your Account will be paid if you die while assets remain in your Account. The most recent designation filed with Schwab shall be controlling and shall revoke all other designations previously filed by you. If you do not have a valid Beneficiary designation on file with Schwab at the time you die, if your Beneficiary dies before you, or if your Beneficiary can't be located when you die, Schwab will liquidate the assets in your Account and pay the proceeds to your estate in a single payment. It is your responsibility to determine whether designation of a Beneficiary for your Account complies with ERISA, if applicable, and fits with your overall estate plan. If Schwab determines that your Beneficiary designation is not clear with respect to the amount of the distribution, the date on which the distribution shall be made, or the identity of the party or parties who will receive the distribution, Schwab shall have the right, in its sole discretion, to consult counsel and to institute legal proceedings to determine the proper distribution of the Account, all at the expense of the Account, before distributing or transferring the Account.

(b) Timing

1. If you die after required distributions start but before you receive your entire Account balance, we'll distribute the remainder to your Beneficiary(ies) at least as rapidly as under the method you have chosen under Section 2(c) above.
2. If you die before reaching 70½ or before any benefits have been distributed, we must distribute your Account balance by December 31 of the year containing the fifth anniversary of your death. Or, your Beneficiary may elect to receive payments over a period not exceeding your remaining life expectancy (or your Beneficiary's life expectancy, if it is longer and he or she qualifies as a "Designated Beneficiary" under IRS Regulation 1.401(a)(9)-4), as long as distributions begin by December 31 of the year immediately following your death.

If the Beneficiary is your surviving spouse, she or he may elect to defer commencement of benefits, provided that they meet either of the following:

(A) Payment begins no later than the later of:

- (i). December 31 of the year you would have reached 70½; or
- (ii). December 31 of the calendar year that contains the first anniversary of your death, and payment is made over a period no longer than your life expectancy (or your spouse's life expectancy if longer).

(B) The entire account is distributed no later than December 31 of the year containing the fifth anniversary of your death.

If your Beneficiary fails to make an election, we'll distribute the remaining balance by December 31 of the calendar year that includes the fifth anniversary of your death.

(c) **Form of Benefits** Subject to the limits of subsection (b) above, your Beneficiary may elect to receive benefits in any one or a combination of the following forms: (i) a single lump sum; or (ii) substantially equal periodic payments for a term not exceeding your remaining life expectancy at your death, or, if your Beneficiary qualifies as a "Designated Beneficiary" under IRS Regulation 1.401(a)(9)-4, the Beneficiary's life expectancy. Schwab will continue to invest your Account as directed by your Beneficiary, and as described in Section 3, until all assets have been distributed. Schwab will pay any undistributed amount remaining at your Beneficiary's death in a lump sum to your Beneficiary's Designated Beneficiary or estate.

4. Qualified Domestic Relations Orders

Schwab shall distribute to an alternate payee (as that term is defined under Code section 414(p)(8)), all or a portion of your Account pursuant to a domestic relations order that meets the requirements of Code section 414(p). If a qualified domestic relations order provides for distribution of a benefit payable to an alternate payee, such distribution shall be made pursuant to such order regardless of whether you would otherwise be entitled to a distribution at such time. No distribution shall be made to an alternate payee in a form of payment otherwise not permitted under this Agreement.

5. Disputed Payments

Schwab is not required to make any inquiry to determine the identity or mailing address of any persons entitled to benefits under the Agreement. If a dispute arises over the identity or the rights of persons entitled to benefits hereunder, Schwab may withhold distribution of benefits until the dispute is resolved by a court of competent jurisdiction or settled by written stipulation of the parties.

Transfers from Account

You may request, on a form acceptable to Schwab, that Schwab transfer Mutual Fund shares, other investments that qualify as an investment in regulated investment company stock under Section 403(b)(7) of the Code, and/or cash in your Account to another Custodial account or annuity contract described in Code section 403(b), as authorized by Code section 403(b)(8).

Powers, Duties and Obligations of Schwab

1. Investment

Schwab will not direct the investment of your Account, nor will Schwab act as investment advisor or counselor, or advise you or offer any opinion or judgment on any matter pertaining to the nature, value, potential value or suitability of any investment or potential investment for your Account, except as may be required by law or regulation.

2. Administrative Powers

Schwab may hold any securities acquired under the Agreement in the name of Schwab without qualification or description or in the name of any nominee. Schwab has all powers necessary to perform its duties under the Agreement.

3. Shareholder Rights

Schwab may exercise any rights of a shareholder (including voting rights) with respect to any securities held in the Account, only in accordance with your instructions, pursuant to any applicable rules of the Securities and Exchange Commission, and the national exchanges and regulatory organizations of which Schwab is a member. Schwab will cause to be delivered to you all notices, prospectuses, financial statements, proxies and proxy soliciting materials relating to investments in your Account. Schwab will not vote any shares except in accordance with your directions.

4. Records and Reports

- (a) Schwab will keep accurate records of the assets credited to your Account and all receipts, distributions, exchanges, disbursements and all other transactions.
- (b) Within 120 days after the close of each calendar year (or after a distribution or transfer of your Account), Schwab will mail you a statement of the assets in your Account and their Fair Market Value as of the last day of such year (or the date such distribution or transfer is made).
- (c) After the close of each month or quarter depending upon activity in your Account, Schwab will mail you a written report reflecting all transactions in your Account for such month (or quarter), and the Fair Market Value of the assets in the Account as of the last day of such month (or quarter). Such reports, and the annual statement described in subsection (b), will constitute the annual accounting for your Account.
- (d) Unless you file a written statement of exceptions or objections to a report with Schwab within 60 days after the mailing of the report, you will be deemed to have approved such report and Schwab will be released from all liability to anyone (including your spouse or Beneficiary) with respect to all matters set forth in the report. No person other than you or, if you die, your Beneficiary, may require an accounting.
- (e) Schwab is not responsible for filing an Annual Report (IRS Form 5500) for the Account with the Internal Revenue Service.

5. Right to Request Judicial Assistance

Schwab has the right at any time to apply to a court of competent jurisdiction for judicial settlement of its accounts, or for a determination of any questions or construction that

may arise, or for instructions. You are the only necessary party defendant to any such action, but Schwab may join any other person or persons as a party defendant. The cost, including attorneys' fees, of any such proceeding will be charged as an administrative expense.

6. Scope of Schwab's Duties

Schwab has only those duties that are specifically set forth in the Agreement. Schwab has no duty to ascertain whether contributions or distributions comply with the Agreement, a Salary Reduction Agreement or the Code. Schwab will not make any investment or dispose of any investment held in your Account except at your direction (or the direction of your Beneficiary if you die). Schwab has no duty to question any directions to the extent the person giving the direction is authorized under the terms of this Agreement to provide such direction, nor does Schwab have a duty to review any securities or other property held in your Account, or to make suggestions on the investment, retention or disposition of any assets held in your Account.

7. Scope of Schwab's Liability

Schwab is not liable for any loss of any kind, including taxes, that may result from any action taken by Schwab acting at the direction of an authorized person, or from any failure to act because of the absence of directions. Schwab is not responsible in any way for collecting contributions authorized under the Agreement, nor is Schwab obliged to take any action in connection with your Account except at your direction or the direction of your Beneficiary, if you die. Schwab is not responsible for determining the applicability of ERISA to the Account nor for compliance with any requirements of ERISA if applicable. Schwab is entitled to act upon any instrument, certificate or form it believes is genuine and believes is signed or presented by the proper person or persons; and Schwab need not investigate or inquire as to any statement contained in the document, but may accept it as true and accurate. You agree to indemnify and hold Schwab harmless from any liability that may arise in connection with this Agreement, except liability arising from the gross negligence or willful misconduct of Schwab.

Resignation or Removal of Schwab

1. Resignation or Removal

Schwab may resign as custodian hereunder by mailing or actually delivering written notice to you 60 days prior to the resignation. You may remove Schwab as custodian by mailing or actual delivery of written notice to Schwab 60 days prior to the removal, and upon the appointment and qualification of a successor custodian or trustee. Either party entitled to the notice may waive the notice period.

2. Successor Custodian or Trustee

Upon the resignation or removal of Schwab as custodian, or upon the termination of the Agreement, you (or your Beneficiary if you die) must appoint a successor custodian or trustee. The successor will have all rights, powers, privileges, liabilities and duties of custodian. When the successor accepts the appointment, Schwab will assign, transfer and deliver to the successor all assets held in your Account to which the resignation or removal relates. If you or your Beneficiary fail to designate a successor who accepts the appointment within a reasonable period of time, Schwab will distribute the resulting funds in a lump sum to you or your Beneficiary, as applicable. Schwab may reserve such funds as it deems advisable to pay for expenses and fees then due or later incurred in connection with the settlement of your Account, and any balance remaining after the settlement will be paid to the successor custodian or trustee, or to you or your Beneficiary, as applicable.

3. Substitution of Schwab

You must substitute another custodian in place of Schwab if the Internal Revenue Service issues a notification that substitution is required because Schwab has failed to comply with the requirements of Code section 401(f)(2), or is not keeping records or rendering statements as are required.

Amendment and Termination of the Agreement

1. Closure of Account

You may close your 403(b)(7) Account at any time by giving notice to Schwab. We may, in our sole discretion, close your Account or terminate any or all services rendered under the Account Agreement at any time and for any reason. Closing an Account or terminating services will not affect rights and obligations incurred prior to closure or termination.

2. Amendment or Termination by Custodian

(a) **Required Changes** Schwab may amend or terminate this Custodial Agreement at any time, as legally allowed, without obtaining the consent of you, your spouse or Beneficiary.

1. An amendment generally won't decrease any benefit to which you're entitled from contributions before the amendment.
2. However, Schwab is expressly authorized to make any necessary amendments, retroactive to the later of the effective date of the Custodial Agreement or the effective date of any future legal requirements, if we must amend the Custodial Agreement to conform to:

- (A) Current or future requirements of ERISA;
- (B) Code section 403(b);
- (C) Other applicable law, regulation or ruling.

(b) **Other Changes** Schwab may amend this Custodial Agreement at any time by obtaining your consent. Schwab will notify you in writing of any proposed changes, and you'll have 30 days after receiving the notice to give Schwab your denial. If you don't notify Schwab within the 30-day period, you indicate your consent to the proposed changes.

Fees, Expenses and Indebtedness

1. Compensation of Schwab

Schwab is entitled to fees for its custodial services and reimbursement for reasonable expenses in managing your Account. Information regarding the current fee schedule for custodial services is available upon request. Schwab can increase fees upon providing you with reasonable notice. Transaction fees for purchases and redemptions of mutual fund shares and any transaction fees related to other investments that qualify as an investment in regulated investment company stock under Section 403(b)(7) are payable in accordance with Schwab's usual practices.

2. Payment of Fees and Expenses*

You must pay any set-up and maintenance fees for the first year your Account is open at the time when the Account is established. Thereafter, any fees and expenses provided for under this section will be deducted from your Account, unless you direct Schwab otherwise in writing and pay such fees and expenses in a timely fashion.

*The account service fee referred to in this paragraph does not apply to Schwab accounts managed by an advisor.

3. Indebtedness

You are required to pay any debit balance or other obligation owing to Schwab on demand.

Miscellaneous

1. Prohibition Against Assignment

Except to the extent otherwise required by law, none of the benefits, payments or proceeds held in your Account may be subject to the claims of any creditor, nor do you or your Beneficiary have any right to anticipate, sell, pledge, option, encumber or assign any of the benefits, payments or proceeds to which you or your Beneficiary may be entitled under the Agreement.

2. Applicable Law and Severability

The Agreement is intended to qualify as a Custodial account under Code section 403(b)(7). Accordingly, the Agreement shall be governed by and interpreted under the laws of the United States and, to the extent such laws do not apply, shall be governed by and interpreted under the laws (but not the choice of law doctrines) of the state of California, regardless of whether you reside or transact business with Schwab in California or elsewhere, except that the section of the 403(b)(7) Account Agreement entitled "Arbitration" shall be governed by the Federal Arbitration Act. If any provision of the Agreement is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions, and the Agreement shall be construed and administered as if such provision had not been included.

3. Source of Benefits

The only source of benefits under the Agreement is your 403(b)(7) Account.

4. Commingling

The assets of your 403(b)(7) Account will not be commingled with other property, except as permitted by applicable law.

5. Liquidation of Assets

If necessary for our protection, to make distributions, transfer assets or pay fees, expenses or taxes assessed against your Account, and if you or your designated representative fail to instruct Schwab as to the liquidation of such assets, Schwab may, at our discretion and without prior demand or notice, sell or otherwise liquidate all or any part of the investments securing your obligations or close any or all transactions in your 403(b)(7) Account. In such case, assets shall be liquidated pro rata as between investments held in your Account.

6. Notices

Any notice, account statement or other communication which Schwab may give to the Employer or Employee shall be deemed given when mailed to such Employer or Employee

at the last address which has been furnished to Schwab. Notices or other communications given to Schwab by the Employer or Employee shall be deemed given upon receipt by Schwab of such notice or communication.

7. Assignment

Schwab may assign its rights and obligations under the Agreement to any subsidiary, affiliate or successor by merger or consolidation without notice to you, or to any other entity after 30 days' written notice to you. The Agreement is binding on you and your heirs, executors, administrators, Beneficiaries, successors and assigns, and it will benefit you and Schwab's successors and assigns, if any.

8. Levy by IRS

If the Internal Revenue Service levies on your Account, Schwab will follow its standard procedures in responding to the levy and giving you notice of its actions.



Independent investment advisors are not owned by, affiliated with, or supervised by Charles Schwab & Co., Inc. ("Schwab"). Certain investment advisors, such as Charles Schwab Investment Management, Inc. ("CSIM"), Charles Schwab Investment Advisory, Inc. ("CSIA"), and Schwab Wealth Advisory, Inc., are affiliated with Schwab.

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