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SCHWAB

TRUST BANK

Schwab Bank Savings

Implementation Guide for
Recordkeepers, Advisors,
and Plan Sponsors

Schwab Bank Savings Implementation Guide

March 2023

This Guide will help you to understand the requirements associated with using Schwab Bank Savings, an FDIC insured money market deposit account available from Charles Schwab Trust Bank, as a capital preservation option in your employee benefit plan.

- Description and Benefits
- SBS Implementation and Getting Started
- Participant Daily Recordkeeping
- Sample SBS Transactions
- Price Position File Changes
- Quarterly Reporting Requirements
- Annual Evidence of Compliance Procedure

If you have any questions, please contact your Schwab relationship manager at **877-744-5772** or client service manager at **877-319-2782**.

Contents

Description and Benefits	4
SBS Implementation and Getting Started	5
Section 1. Participant Daily Recordkeeping.....	11
Section 2. Sample SBS Transactions	12
Section 3. Quarterly Reporting Requirements	14
Section 4. Participant Facing Communications and Disclosures	14
Section 5. Annual Evidence of Compliance Process	21
Appendix A – Price Position File Layout – Version 6.1.3	24
Appendix B– SBS Quarterly ReportingFormat.....	30
Appendix C – Schwab Bank Savings Participant Disclosure.....	48
Appendix D – Approved FDIC Coverage and Other Required Disclosures.....	53

Description and Benefits

Charles Schwab Trust Bank (“Trust Bank”) is pleased to provide plan sponsors with the Schwab Bank Savings (“SBS”) option as a capital preservation investment for employee benefit plans. Participants have the opportunity to allocate a portion of their retirement savings plan account balances to SBS, an FDIC insured, money market deposit account (“MMDA”), at Trust Bank. A MMDA is a type of bank savings account that pays interest and is not subject to market risk. It is not a mutual fund. Participating plans and their participants have a beneficial interest in an omnibus savings account maintained by Trust Bank.

Benefits:

- Participants using SBS are eligible for up to \$250,000 of FDIC insurance on their SBS balances subject to the FDIC insurance aggregation rules¹ and contingent on their plan sponsor’s maintenance of required records. As the plan’s recordkeeper, you may be responsible for maintaining these records on behalf of the plan sponsor.
- Retail retirement plans (a plan in which the beneficial owner of the investments is a natural person) that choose to make SBS the sole capital preservation option in the plan receive a material reduction in Trust Bank custody fees or other form of payment to compensate the plan for participant-level recordkeeping.
- SBS is not subject to market risk. Funds allocated to SBS will never lose value unless (1) Trust Bank fails, **and** (2) deposits participants maintain in SBS and other deposits at Trust Bank maintained in the same capacity, when aggregated, exceed the FDIC coverage limit.
- Since SBS is not a mutual fund, use of SBS in the plan line-up eliminates exposure to risk of imposition of fees and gates associated with Money Market Fund Reform rules established in 2016 by the Securities and Exchange Commission.

¹ Deposits held by Trust Bank in SBS are insured by the Federal Deposit Insurance Company (FDIC). The Maximum Applicable Insurance limit per depositor is \$250,000 for all insurable capacities. The Maximum Applicable Insurance limit for a retirement or other employee benefit plan will vary depending on the type of plan or arrangement. Generally, for Individual Retirement Accounts (IRAs), self-directed defined contribution plans such as 401(k) or profit-sharing plans, self-directed Keogh plan accounts, and self-directed Section 457 deferred compensation plan accounts, all such accounts owned by the same person with deposits in Trust Bank are aggregated and insured up to \$250,000. Participants in these arrangements are responsible for monitoring the total amount of deposits held at Trust Bank, either directly or through an intermediary such as Charles Schwab & Co., Inc., in order to determine the extent of FDIC coverage available to them.

For Institutional Audiences Only

Charles Schwab Trust Bank, Charles Schwab Bank, Schwab Retirement Technologies, Inc. and Charles Schwab & Co., Inc. are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation. Brokerage products and services are offered by Charles Schwab & Co., Inc. (Member SIPC). Charles Schwab Trust Bank provides trust, custody and deposit products and services with respect to retirement plans and other employee benefit plans. Schwab Retirement Technology is engaged in developing and licensing proprietary retirement plan recordkeeping systems to Independent Recordkeepers.

SBS Implementation and Getting Started

Since SBS is a Trust Bank deposit savings product, there are some unique recordkeeping, communications, and disclosure requirements that apply if you are offering or administering SBS in participant-directed plans.

These requirements are intended to help you:

- Maintain records necessary to preserve FDIC insurance coverage for plan participants
- Comply with regulatory requirements for bank deposit products, which are different from SEC regulated investments
- Comply with ERISA fee disclosure requirements
- Clearly identify on participant statements SBS as a deposit product to minimize the potential for any participant confusion.

Before being eligible to open or onboard participant directed plans with SBS, recordkeepers must demonstrate their ability to process SBS transactions. This implementation process ensures that you are receiving the correct file versions necessary and are prepared to meet these other requirements.

For recordkeepers administering SBS only in institutional plan types (a plan in which the beneficial owner of the investments is not a natural person), such as defined benefit and non-qualified deferred compensation plans, no approval is required. However, we encourage you to utilize the most current version of the price position file in order to receive current interest rates and notification of any changes automatically.

The most recent versions of Schwab Retirement Technologies, Inc., FIS Relius Administration, and Aspire Investlink software have been modified to help you meet the SBS support requirements. Clients utilizing Omni, proprietary, or other recordkeeping systems, may need to make additional programming changes to prepare to administer plans with SBS.

Standard Schwab Retirement Technologies (SRT) and Newkirk participant statement formats have also been adapted to present SBS.

Additional plan documents are needed before SBS may be added to a plan's investment line-up; these plan documents vary based on the type of plan. For new plans you are opening, these documents will be generated by the Account Opening Wizard where possible. To add SBS to an existing plan, please contact your Schwab client service manager.

The following checklist of operational requirements provides a guideline of the functions you'll need to be ready to perform in order to administer SBS in participant directed plans. These requirements are discussed in more detail throughout this implementation guide.

For questions about the certification process, please contact your Schwab client service manager or the Trust Bank transition services team.

Checklist of SBS Operational Requirements for Administering Participant-Directed Plans

	Requirements	Description
1.	<p>Provide participants access to the plan sponsor's SBS MMDA Disclosure <i>prior to funding SBS</i>:</p> <ul style="list-style-type: none"> • Post on web, or deliver electronic or hard copy • Direct existing participants to SBS disclosure in notification of change of investment elections • Provide or direct new participants to SBS disclosure in plan enrollment materials 	<p>A template of the SBS participant disclosure is provided to plan sponsors with some customization required:</p> <ul style="list-style-type: none"> • plan sponsor name/logo • phone/web address for rate information <p><i>Please refer to Section 4 of this guide for more information.</i></p>
2.	Maintain participant records of all SBS deposits, withdrawals, and current balances.	<p>Standard recordkeeping processes</p> <p><i>Please refer to Section 1 and 2 of this guide for more information.</i></p>
3.	Provide Trust Bank directions for SBS deposits and withdrawals (purchases and sales) in daily trade files.	<ul style="list-style-type: none"> • Support new CUSIP/Ticker • (RBS1CSBS) • Trading directions provided through standard trade files
4.	<p>Calculate and maintain a record of daily interest accrual for each participant based on daily balance.</p> <p>The system provides a record for each participant's accrued, but unpaid, interest for SBS</p>	<ul style="list-style-type: none"> • May be calculated using standard accrual dividend processes • May be maintained in off-system report • Web display not required • For non-business days, use end of day balance for prior business day • Information must be made available upon request to Schwab Bank <p><i>Please refer to Section 1 and 2 of this guide for more information.</i></p>
5.	<p>Calculate and post SBS interest at the end of each month to participants.</p> <p>The aggregate interest posted to the plan MMDA will be provided in an SA record in Trade Verification Files.</p>	<ul style="list-style-type: none"> • Aggregate interest posted to the plan to be allocated to participants is provided in SA record in Trade Verification file • May be calculated using standard accrual dividend processes • Make available to Trust Bank upon request • Interest period ends the last business day of the month • Backdating interest posting may be necessary based on timing of return files

	Requirements	Description
6.	Reconcile plan MMDA balance daily with Trust Bank based on the net change in participant deposits and withdrawals.	Standard recordkeeping processes <i>Please refer to Section 1 of this guide for more information.</i>
7.	Provide quarterly reporting to Trust Bank including: <ul style="list-style-type: none"> • Number of participant MMDAs with balances < \$250,000 and aggregate balances • Number of participant MMDAs and balances > \$250,000 and aggregate balances • Supporting detail to above 	<ul style="list-style-type: none"> • Electronic only • Due quarter-end • Sample report file format in Appendix D. • Submitted via Proofpoint secure email to SBSreporting@Schwab.com <i>Please refer to Section 3 of this guide for more information.</i>
8.	Modify participant communications to support SBS consistent with regulatory requirements for FDIC coverage.	<ul style="list-style-type: none"> • Disclose rate and yield to participants on fee disclosures, statements, web • Display FDIC and other appropriate text disclosures on: <ul style="list-style-type: none"> ○ Web; ○ Statements ○ Participant fee disclosures ○ Other participant communications, such as investment elections, rebalancing, loan withdrawals from SBS <i>Please refer to Section 4 of this guide for more information.</i>
9.	Provide reasonable access to records of participant SBS deposits, withdrawals, balances, accrued interest and other activity information to Trust Bank, its examiners, regulators and auditors.	<ul style="list-style-type: none"> • Prior to approval and annually upon request
10.	Provide emergency systems to ensure books and records concerning MMDAs are retrievable within a reasonable period in event of computer failure or disaster.	<ul style="list-style-type: none"> • Standard business practice

Section 1. Participant Daily Recordkeeping

You will direct SBS deposits and withdrawals by placing buy and sell trades respectively on the SBS asset just as you do for other asset types. The CUSIP and symbol for SBS is **RBS1CSBS**. Trust Bank nets all SBS activity and makes a daily deposit to, or withdrawal from, the SBS MMDA at Trust Bank. Settlement also aligns with mutual fund assets in the plan, so cash from any SBS withdrawals or “sells” is available on the next business day after the trade is executed.

Because SBS works similarly to other assets on your recordkeeping platform, most of the recordkeeping requirements leverage your normal operating procedures for other assets such as:

- Reconciling plan balance daily with Trust Bank
- Maintaining daily transaction records and participant balances
 - SBS deposits (buys) and withdrawals (sells) are confirmed in daily trade verification files
 - See sample transactions in Section 2. Sample SBS Transactions
- Posting interest earnings at month-end
 - Interest posted to the plan will be transmitted in an SA record in month-end trade verification file
 - See sample transaction in Section 2. Sample SBS Transactions
- Providing participant statements that include reporting on SBS
 - Providing business recovery systems to ensure books and records are retrievable within a reasonable period in the event of computer failure or disaster

Please consult with recordkeeping system provider for instructions on how to set the SBS asset up in your system.

However, there are also a few unique recordkeeping activities required to administer SBS in participant directed plans.

- Daily interest accrual should be calculated for each participant based on their daily balances.
 - This ensures that you have a record of each participant’s earned, but unpaid, interest in addition to the posted balance in the unlikely event that Trust Bank fails
 - The Daily Accrual Factor is found in Field 8 in the Price Position File (see sample layout in Appendix A, Version 6.1).
 - Accrued interest does not need to be displayed to participants on web, and may even be stored off-system, but must be available on-demand
 - For non-Business Days, the EOD balance for the prior Business Day is used
 - SBS Business Days are Mondays through Fridays excluding Federal Reserve Bank and New York Stock Exchange holidays
 - Interest rates may change on a non-Business Day; in that event, a recalculation of the accrual for the prior weekend may be necessary
 - Consult your recordkeeping system client service for more information on how to calculate daily SBS participant accruals with your system

- Current interest rate and annual percentage yield should be available to participants on the web and statements
 - These values are transmitted daily in Fields 14 and 15 in the Price Position File, and should be imported into rate tables on your recordkeeping system

Upon request, Trust Bank or its examiners, regulators, and auditors must be granted reasonable access to participant records of SBS deposit and withdrawal activity and posted balances.

Section 2. Sample SBS Transactions

Like other transactions, Schwab Bank Savings transactions and activity are confirmed in your daily Trade Verification File. For a copy of the most current Trade Verification File specifications, please contact your Schwab client service manager.

If you submit multiple buys to SBS from the same plan account on a business day, these buys will be aggregated into one deposit transaction on Trust Bank's trust accounting books and records and your monthly or quarterly statement. Similarly, multiple sell transactions to SBS occurring on the same business day will be aggregated and reported as one withdrawal transaction.

Trade Verification File Sample Schwab Bank Savings Transactions

Schwab Bank Savings (Buy):

Filename of T061616A.667

```
"TR","667      ","17656644      ","RBS1CSBS  ","PLAN ID  ","B","D","200",1.00000,3574.05,3574.050,0.00,"R","061516",""
","B",0,"T"
"TR","667      ","17656647      ","RBS1CSBS  ","PLAN ID  ","B","D","214",1.00000,8.78,8.780,0.00,"R","061516",""      ","B",0,"T"

"SA","667      ","RBS1CSBS  ","PLAN ID  ","","dep","D",0.00000,3582.83,3582.830,"061616","061616","B",0.00,0.00,"      ","      "
","T","      ","      "
"
```

Schwab Bank Savings (Buy) Reversal

Filename of T060216A.667

```
"SA","667      ","RBS1CSBS  ","PLAN ID  ","","dep","D",0.00000,500.00,-500.000,"060216","060216","B",0.00,0.00,"      ","      "
","T","      ","      "
"
```

Schwab Bank Savings (Sell)

Filename of T061616A.667

```
"TR","667      ","17656644      ","RBS1CSBS  ","PLAN ID  ","S","D","200",1.00000,3574.05,3574.050,0.00,"R","061516",""
","B",0,"T"
"TR","667      ","17656647      ","RBS1CSBS  ","PLAN ID  ","S","D","214",1.00000,8.78,8.780,0.00,"R","061516",""      ","B",0,"T"
"
```



TRUST BANK

```
"SA","667","RBS1CSBS","PLAN ID ","wdl","D",0.00000,3582.83,3582.830,"061616","061616","B",0.00,0.00,"",""
```

Schwab Bank Savings (Sell)

Filename of T060216A.667

```
"SA","667","RBS1CSBS","PLAN ID ","wdl","D",0.00000,824.80,-824.800,"060216","060216","B",0.00,0.00,"",""
```

Schwab Bank Savings (Interest)

```
"SA","667","RBS1CSBS","PLAN ID ","buy","D",0.00000,443.32,443.320,"053116","053116","B",0.00,0.00,"053116",""  
","T","043016","053116","Y"  
"SA","667","RBS1CSBS","PLAN ID ","int","D",0.00000,443.32,0.000,"053116","053116","B",0.00,0.00,"053116",""  
","T","",""
```

Advisors using portfolio management tools, such as Schwab Portfolio Center, may need to receive Transaction and Build files from us in our generic format. The generic file format has been customized to help you monitor SBS performance and reconcile SBS positions accurately in most tools. We are working with other software vendors that use the Advent format for processing, as well. To verify the current file format you are receiving and the one that interfaces best with your software, please contact your Schwab client service manager or the Trust Bank transition services team.

Section 3. Quarterly Reporting Requirements

You will need to incorporate SBS into the quarterly statements you currently provide to participants.

You are also required to provide Trust Bank reports on participant accounts and associated balances in SBS at the end of each quarter. This is necessary for Trust Bank to complete its regulatory reporting filings with the Federal Deposit Insurance Corporation (FDIC).

- Reports must be submitted to Trust Bank within 5 business days of the end of each quarter with details about the number of participant accounts and associated balances.
 - Positions should reflect balances as of the last business day of the quarter and include the interest payment made on the last business day of quarter
 - Positions in forfeiture or other similar accounts should be listed
 - Please refer to Appendix B for detailed specifications for this reporting
 - SRT and FIS Relius Administration recordkeeping software automate report production for you to schedule, run, and submit to Trust Bank
 - Please consult your recordkeeping system client service for more information
- Submit your report file to SBSreporting@schwab.com using Proofpoint (Schwab Secure email) encrypted email or via regular email if Tunnel Layer Security (TLS) is enabled with Schwab
 - Contact your Schwab client service representative to set-up your Proofpoint (Schwab Secure email) access or reset your password
 - Contact your Schwab client service representative to setup TLS
 - Please note that the elapsed TLS setup time is a minimum of one month

Section 4. Participant Facing Communications and Disclosures

Prior to a participant's first deposit into SBS, the plan sponsor must make available the Schwab Bank Savings Participant Disclosure (see Appendix C).

- For new participants, the Participant Disclosure is usually provided in plan enrollment materials
- For existing participants, a link may be provided in electronic communications, such as a change in investment election notice, if applicable
- The Participant Disclosure may be posted on the web, emailed electronically, or mailed in hard copy form
- A best practice is to keep a record of which participants you distributed the SBS Participant Disclosure to and the date of the distribution or receipt
- SRT and FIS Relius Administration both provide crystal reports to help you customize the disclosure with plan name or plan sponsor logo and other information

Participant Facing Communications Guiding Principles

There are some guiding principles you should keep in mind when SBS is displayed or referenced on participant web pages, quarterly statements, fee disclosures, and other notices. Since clients utilize a variety of designs on these communications and have different technology constraints, there is some flexibility in how you implement these guidelines. Trust Bank is happy to play a consultative role, if desired, during your development process.

If you administer participant-directed plans with Schwab Bank Savings, you will be asked to attest annually that the participant recordkeeping and communication requirements are being met.

Key Principles:

1. Current annual rate and annual percentage yield must be disclosed to participants.
 - This applies to participant web, statements and fee disclosures
 - The annual rate and yield is transmitted each Business Day in your price position file. These values are generally imported into a rate table for display on web and statements. (Please refer to Fields 14 and 15 in Appendix A)
 - To satisfy the web requirement to display of rates and yields, you may also choose to post the Schwab Bank Savings rate sheet.
 - This may be downloaded from Schwab Retirement Center (SRC) at <http://www.schwab.com/system/file/P-8310676> and posted on your website
 - The rate sheet is updated within the first few business days of each month

Sample Web Display from “Rate” Link

Interest Rate	Annual % Yield (APY) ¹
0.15%	0.15%

Rate as of 12/31/2013

1. The Annual Percentage Yield (APY) shown is effective as of the date shown above, unless otherwise noted. Rate is subject to change without notice.

Sample Web Display – Link to Current Interest Rate and Yield

Capital Preservation Bank Deposit			%	Balance
Schwab Bank Savings ¹ Rate			19%	\$13,411.31
Total			100%	\$69,179.07

Year-to-Date Contributions			Contribution Details Transaction History	
Your Contributions	Employer Contributions	Total		
\$917.35	\$433.47	\$1,350.82		

Contribution Rates			Change Contribution Rates	
Employee Deferral:	25%			
Annual Savings Adjustment:	Declined			
Bonus Deferral:	15%			
Annual Savings Adjustment:	Declined			

Note: Your Contributions rate change and Annual Savings Adjustment will occur as soon as administratively feasible after the effective date.

Participants may click on this link to view current Schwab Bank Savings interest rate and annual percentage yield.

Sample Schwab Bank Savings Rates rate sheet available for download from SRC



Designed for low-risk capital preservation

Schwab Bank Savings is a money market deposit account—a type of savings deposit—established by your Plan at Charles Schwab Trust Bank. It intends to provide a variable yield in the form of interest from the bank. **The current APY is 2.00%.**

Low-risk interest at a reasonable rate

Capital preservation is not about chasing yield. Schwab Bank Savings bears interest at a reasonable rate without the associated risk of investment vehicles that chase high yields. The annual percentage yield (APY) reflects the total amount of interest paid based on the interest rate, and the daily compounding frequency for a 365-day period. For current rates, consult your retirement account website.

No additional expenses to participants or plan (OER)

Unlike standard money market or stable value funds, the plan or participants do not pay additional operating or administrative expenses on their funds allocated to Schwab Bank Savings (there's no operating expense ratio, or OER). Instead, Charles Schwab Trust Bank's compensation comes from the "spread" between what it earns from investing and lending activities and the interest rate it pays participants (plus any other expenses absorbed on these accounts).

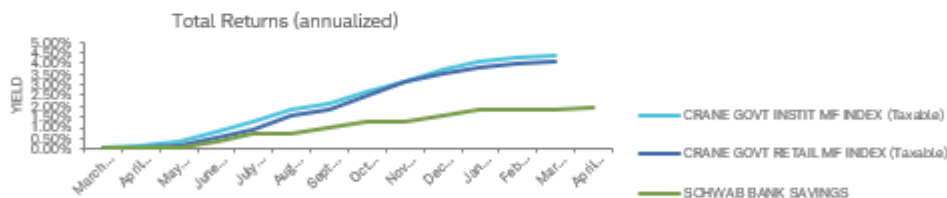
Effective from:	Effective to:	Interest Rate	APY
4/1/2023	4/28/2023	1.98%	2.00%*

Annualized Yields as of April 28, 2023	
1 month	2.00%
3 months	1.88%
12 months	1.21%
3 years	0.48%
5 years	0.75%
10 years	0.51%

Inception date February 10, 2012.

How does it compare to alternative capital preservation options?

While Schwab Bank Savings is different than many cash preservation options, it can be helpful to view the average annual percentage yield as compared with a money market fund index with similar characteristics (liquidity, safety).^{**}



Past performance cannot guarantee future results Source: Crane Data 30 day rate as of March 28, 2023. ^{**}These benchmarks were selected for comparison with Schwab Bank Savings because they track products with similar characteristics of liquidity and safety, however, Trust Bank's portfolio is not invested exclusively in government or treasury securities.

More key benefits

- **FDIC insurance**—Funds deposited in Schwab Bank Savings at Charles Schwab Trust Bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 when aggregated with all other deposits held by a participant in an individual retirement account or self-directed employee benefit account in the same capacity at Charles Schwab Trust Bank. FDIC deposit insurance coverage will vary depending on the type of plan or account. Please visit [fdic.gov](https://www.fdic.gov) for more information.
- **No fees and/or gates**—Bank products are not subject to money market fund liquidity fees and redemption gates.
- **Bank soundness**—Charles Schwab Trust Bank has strong liquidity, internal financial controls, and business standards, with a focus on keeping client assets safe.
- **Liquidity**—Funds deposited in Schwab Bank Savings can be withdrawn at any time without redemption restrictions or fees.[†]

(continued on the next page)

Own your tomorrow.

How is the rate determined?

Schwab Bank Savings pays a Bank-administered rate of interest that may be adjusted by the Bank based on market conditions. It is intended to be consistent with ERISA reasonable rate standards based on comparator deposit rates available to employee benefit plans while considering available investment options, market segments, competitive positioning, and other factors.

Schwab Bank Savings historical information

Data as of March 31, 2023

Calendar Year Average Annual Yields	
2023 YTD	1.86%
2022	0.60%
2021	0.09%
2020	0.40%
2019	1.40%
2018	0.84%
2017	0.57%
2016	0.35%
Since Inception	0.50%

Inception date February 10, 2012.

Annual Percentage Yields			
Effective from:	Effective to:	Interest Rate	APY
4/1/2023	4/28/2023	1.98%	2.00%
3/1/2023	3/31/2023	1.80%	1.82%
2/1/2023	2/28/2023	1.80%	1.82%
12/31/2022	1/31/2023	1.80%	1.82%
12/1/2022	12/30/2022	1.60%	1.61%
11/1/2022	11/30/2022	1.30%	1.31%
10/1/2022	10/31/2022	1.30%	1.31%
9/1/2022	9/30/2022	1.00%	1.01%
8/1/2022	8/31/2022	0.70%	0.70%
7/1/2022	7/29/2022	0.70%	0.70%
6/1/2022	6/30/2022	0.30%	0.30%
4/30/2022	5/31/2022	0.10%	0.10%
4/1/2022	4/29/2022	0.05%	0.05%
3/1/2022	3/31/2022	0.05%	0.05%
2/1/2022	2/28/2022	0.05%	0.05%
1/1/2022	1/31/2022	0.05%	0.05%
12/1/2021	12/31/2021	0.05%	0.05%

FDIC Coverage and Other Disclosures

SCHWAB BANK SAVINGS AND FDIC COVERAGE

Schwab Bank Savings ("SBS") is a money market deposit account ("MMDA") established for your Plan at Charles Schwab Trust Bank ("Trust Bank").

The portion of your Plan account that you allocate to SBS is eligible for Federal Deposit Insurance Corporation ("FDIC") insurance up to \$250,000 subject to the FDIC rules concerning aggregation of deposit accounts you hold in the same capacity with Trust Bank. You are responsible for monitoring the total amount of deposits you maintain directly with Trust Bank in an individual retirement account or self-directed employee benefit plan account. Because the deposit insurance rules are complex, you may want to contact the FDIC or use the FDIC's online tool, Electronic Deposit Insurance Estimator (<https://fdic.gov/edie>) to estimate your total coverage.

SCHWAB BANK SAVINGS INTEREST

Interest compounds daily and is credited monthly to your Schwab Bank Savings ("SBS") balance on the last Business Day of each month. A "Business Day" is any Monday through Friday that is not a Federal Reserve Bank or New York Stock Exchange holiday.

The interest rate is in effect for the entire interest period, which ends the last Business Day of each month. Trust Bank may adjust the interest rate prospectively on the day following the last Business Day of the month, which starts the next interest period.

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Own your tomorrow.

Current interest rate and yield information is posted on your retirement plan website and any changes are posted as soon as administratively practicable. Please refer to the "as of" or "effective through" date of rates and yields displayed. The rate displayed on this statement may not have been in effect for the entire statement period. Interest credited during this statement period and reflected in your SBS balance may include interest accrued in a prior statement period.

FDIC Insured Money Market Deposit Account – Schwab Bank Savings ("SBS") is a capital preservation option that is not subject to market risk and bears a stated interest rate set ~~on a monthly basis~~, which remains in effect until at least the last Business Day of the month. Trust Bank may adjust the rate prospectively on the day following the last Business Day of the month. A "Business Day" is any Monday through Friday that is not a Federal Reserve Bank or New York Stock Exchange holiday.

Interest compounds daily and is credited monthly on the last Business Day of each month. The annual percentage yield ("APY") is the percentage that reflects the total amount of interest paid on an account, based on the annual percentage rate ("APR") and compounding frequency for a 365-day period. Current rate and yield information may be obtained at your retirement plan website.

There are no operating expenses, shareholder-type fees, or restrictions applied to your holdings in Schwab Bank Savings. Trust Bank earns compensation from the "spread" between what the bank earns from investing activities and the interest rate it pays participants.

Learn more today

For more information on the Federal Deposit Insurance Corporation (FDIC), visit [fdic.gov](https://www.fdic.gov). For the latest financial information and to learn more about The Charles Schwab Corporation, visit aboutschwab.com/investor-relations.

Effective January 1, 2020, Charles Schwab Bank, SSB transferred the money market deposit account ("MMDA") for Schwab Bank Savings to Charles Schwab Trust Bank ("CSTB"). The terms and conditions governing the MMDA remain unchanged ~~as a result of~~ the transfer. All historical rate information provided for the CSTB MMDA will include rates paid by Charles Schwab Bank, SSB prior to January 1, 2020.

*The Annual Percentage Yield (APY) quoted is **2.00%**, with a minimum balance of \$0.01 as-of 4/1/2023. This rate may change without notice. The interest rate and APY is determined by Charles Schwab Trust Bank before the final business day of each month. It is effective from the day following the last business day of the prior month through the last business day of the month. (Interest rates may change after that point.)

*Funds withdrawn from a qualified plan prior to age 59 ½ may be subject to a 10% Federal tax penalty.

Interest compounds daily and is credited monthly to your Schwab Bank Savings balance on the last Business Day of each month. A "Business Day" is any Monday through Friday that is not a Federal Reserve Bank or New York Stock Exchange holiday. The interest rate is in effect for the entire Interest Period, which ends the last Business Day of each month. Charles Schwab Trust Bank may adjust the interest rate prospectively on the day following the last Business Day of the month, which starts the next Interest Period. Current interest rate and yield information is posted on your retirement account website and any changes are posted as soon as administratively practicable. Please refer to the "as of" or "effective" date of rates and yields displayed.

The portion of Participant accounts allocated to SBS is eligible for Federal Deposit Insurance Corporation ("FDIC") insurance up to \$250,000, subject to FDIC rules concerning aggregation of deposit accounts. Participants hold in the same capacity with Schwab Trust Bank. Participants are responsible for monitoring the total amount of deposits that they hold with Schwab Trust Bank in self-directed retirement accounts, either directly or through an intermediary such as Charles Schwab & Co., Inc., [in order to](https://www.schwab.com) determine the extent of deposit insurance coverage available to them.

The Charles Schwab Corporation (Charles Schwab) provides services to retirement and other benefit plans and participants through its separate but affiliated companies and subsidiaries: Charles Schwab & Co., Inc.; Charles Schwab Trust Bank; Charles Schwab Bank, SSB; Schwab Retirement Technologies, Inc. (Schwab RT); and Schwab Retirement Plan Services, Inc. Brokerage products and services are offered by Charles Schwab & Co., Inc. (Member SIPC). Trust, custody, and deposit services and products are provided by a Charles Schwab Trust Bank and Charles Schwab Bank, SSB. Members of FDIC. Schwab RT is engaged in developing and licensing proprietary plan recordkeeping systems to third party administrators. Schwab Retirement Plan Services, Inc. provides recordkeeping and related services with respect to retirement plans.

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Own your tomorrow.

2. Display “FDIC Coverage” and other required text disclosures when SBS is referenced on participant web, statements, fee disclosures and notices
 - **Appendix D contains the approved language for the three types of disclosures referenced in the chart below**
 - The chart below shows where each disclosure detailed in Appendix D should be displayed
 - Statement disclosures may be displayed on either the front or back of the statement.

Disclosure	Web	Participant Statements	Participant Fee Disclosures	Select Participant Notices ¹
Schwab Bank Savings and FDIC Coverage	✓	✓	✓	✓
Schwab Bank Savings Interest		✓		
Fee Disclosure Only			✓	

¹ Include on participant notices that reference SBS such as Change in Investment Election, Investment Rebalancing, or a Loan Distribution from SBS.



Section 5. Annual Evidence of Compliance Process

An annual evidence of compliance is required to maintain your certification status to administer SBS in participant-directed plans. This process will generally take place in August annually. You will be asked to submit documentary evidence of compliance with key SBS requirements the first year after your initial approval and upon request thereafter.

A sample of the annual certification and supporting documentation you will be asked to submit is provided below.

For any questions about the annual certification process or other SBS requirements discussed in this guide, please contact your Schwab relationship manager.

NOTICE TO INDEPENDENT RECORDKEEPER

SCHWAB BANK SAVINGS

ANNUAL CERTIFICATION

Charles Schwab Trust Bank is committed to complying with Federal Deposit Insurance Corporation (“FDIC”) and other applicable laws and regulations and contractual obligations associated with Schwab Bank Savings (“SBS”), a Charles Schwab Trust Bank money market deposit account.

Under the terms agreed to between your plan sponsor clients with Charles Schwab Trust Bank (“Trust Bank”), your firm must provide certain assurances and representations to Trust Bank on an annual basis regarding your internal policies and procedures and your full compliance with certain provisions related to SBS and its use in participant-directed plans.

This notice is being sent as a reminder of the 2023 annual certification action steps and deadlines.

Independent Recordkeeper Action Steps for 2023

1. Execute (via *wet ink* signature of an authorized officer of your firm) the attached “Independent Recordkeeper Certification” and return a scanned copy of the signed form by no later than August 31, 2023 to CSTBTrustAdmin@Schwab.com.
2. Schwab Bank Savings requirements:
 - i. Confirmation that the current disclosure for SBS is available to plan participants,
 - ii. Confirmation that the current SBS Rate/Fact Sheet or current interest rate and annual percentage yield is available to Plan participants,
 - iii. Confirmation that all FDIC Insurance disclosures have been made available to plan participants.

Failure to comply with the certification requirements may result in the restriction of SBS availability for any future plan sponsor’s adoption of SBS in participant directed plans effective Q4 2023.

Please also note that in addition to this annual operational compliance review Trust Bank will conduct quarterly reviews of plans using the SBS Fee Schedule. Plans not complying with the requirements of this pricing option — to use SBS as a plan investment option — may be subject to repricing.



TRUST BANK

If you have any questions, please contact your Trust Bank Relationship Manager.

Sincerely,

Charles Schwab Trust Bank



TRUST BANK

INDEPENDENT RECORDKEEPER
SCHWAB BANK SAVINGS
ANNUAL CERTIFICATION

This Certification is being provided by _____ (“Recordkeeper”) to
Independent Recordkeeper
Charles Schwab Trust Bank (“Trust Bank”).

Recordkeeper hereby certifies to Trust Bank that:

1. The current disclosure for SBS is available to plan participants on the Recordkeeper’s website or through other means which is readily accessible to plan participants,
2. The current SBS Rate/Fact Sheet or current interest rate and annual percentage yield is available to plan participants on the Recordkeeper’s website or through other means which is readily accessible to plan participants,
3. All FDIC Insurance disclosures have been made available to plan participants.

By _____ Date _____

Print Name _____ Title _____

Delivery Information

Please email a scanned copy of your Certification form to CSTBTrustAdmin@Schwab.com
by **August 31, 2023**.

If you have any questions, please contact your Trust Bank Relationship Manager.



Appendix A – Price Position File Layout – Version 6.1.3

CSTB Price Position File – V6.1 Last Updated: January, 2016 General Description

File Reference Name: Charles Schwab Trust Bank (CSTB) Price Position.

File Contents: File contains daily price/position, accrual factors, redemption fee information and annual rate/yield details.

Producers/Consumers: Generated by Charles Schwab Trust Bank. Files made available to Clients via SFTP or Schwab Advisor Center website, SchwabLink, or Schwab Data Delivery.

Delivery Method/
Production Time: File available for downloading via SFTP, SchwabLink, Schwab Data Delivery/SchwabAdvisorCenter.com by 6:00 AM EST.

Field Delimiter Rules:

- Fields are comma delimited.
- Character and String fields are surrounded by double quotes.
- Numeric fields should not be surrounded by double quotes.
- Numeric fields Commas are NOT contained inside these fields.

Field Length Rules:

- If String Fields are longer than specified by Maximum Width, they will be right trimmed to match the correct field length.
- If Character or String Fields is shorter than specified by Maximum Width, they will be right padded with blanks to match the correct field length.

Record Delimiter
Rules: All records are terminated by a single Carriage Return/Line Feed character combination, including the last record.

Notations Used:

The “Type” column in the record information uses the following notations:

- **Char** – A single character. Can be any alphanumeric character except the double quote character
- **String** – More than one character. Can be any combination of alphanumeric characters except the double quote character
- **NW** – Numeric Whole number. Numbers may contain leading zeros.
- **NDP** – Numeric with Decimal Point. Numbers may contain leading zeros.

The “Format” column in the record information uses the following notations:

- **X** – Character format
- **9** –NW format
- **9(9).9(9)** – NDP format. The number in parenthesis shows the number of digits. I.e.: 9(3).9(5) = 999.99999
- **mmddyy** – Character string date format
mm = Month, dd = Day, yy = Year

For a copy of the current Price Position File specifications, please contact your Schwab client service manager.

File Name Detailed Description

Field Number	Field Name	Maximum Width	Format	Fixed Value	Description
1	File Type	1	X	P	Identifies File as Price Position file.
2	Date	6	mmddyy		Month/Day/Year file was generated.
3	Period	1		.	DOS filename/extension separator.
4	TPA Code	3	9		A Client code assigned by CSTB.

File Name Example

P120214.015

Notes:

- File name size is based on MS-DOS file name format of 8.3 (8 characters for the file name, a period, and 3 characters for the extension).

Header Record Detailed Description

Field Number	Field Name	Type	Maximum Width	Format	Fixed Value	Description
1	Record Type	String	2		HD	Identifies record as Header Record.
2	File Date	String	6	mmddyy		Month/Day/Year file was generated.
3	Sender Code	String	4	X	CSTC	Fixed at CSTC.
4	Generation #	Char	1	X	A	Fixed at A.
5	Time – Hours	String	2	hh		Currently fixed at “12”.
6	Time – Minutes	String	2	mm		Currently fixed at “00”.

Header record example

"HD","120214","CSTB","A","12","00"

The header example shows the file was generated on 12/02/2014.

Price Position Record Detailed Description

Field Number	Field Name	Field Type	Maximum Width	Format	Fixed Value	Description
1	Record Type	String	2	X	PP	Identifies record as Price Position Record.
2	TPA ID/Code	String	3	X		Assigned to Client by Schwab.
3	Plan Code	String	10	X		Plan Identifier assigned by Client.
4	Cusip/Symbol	String	14	X		Contains Cusip or Symbol based on Client choice. -The word "CASH" is used to indicate a plan's cash available for investment. Always the first asset for each Plan/Account. -A CUSIP of a six digit account number followed by an "A" (i.e. "123456A") is used to represent a plan's overall master loan pool balance. -A PCRA shows the Plan/Account has brokerage accounts with assets in them.
5	Price	NDP	14	9(8).9(5)		Closing NAV for date in Field 7.
6	Position	NDP	15	9(11).9(3)		Position is based on settlement date. When Monday is a non-settlement day the Position will not be updated in Field 6 for a file on Saturday.
7	Position Date	String	6	mmddyy		-Date is the day prior to the file date representing Trade date. -Friday's date comes in Saturday morning's file even though we have until the next business day to deliver the file.
8	Accrual Factor	NDP	11	9(1).9(9)		-The factor represents what was received from the Fund Company for the date in Field 9. -The factor may represent more than one day as we provide only what the Fund company provides to Schwab. -For the Schwab Bank Savings Asset, apply the last business day's accrual factor to subsequent days

						until a new factor is received.
9	Accrual Date	String	6	mmddyy		Field is filled with six blank spaces when no data available.
10	Cost Basis	NDP	12	9(9).9(2)		Cost Basis represented by the Average Book Value.
11	RF Holding Period	NDP	5	9		Period of days that shares in a fund must be held not to be charged a Redemption Fee (RF).
12	RF Rate	NDP	4	9(1).9(2)		Rate charged to a participant when the holding period is not met. (I.e. 1.00 is 1%)
13	RF Effective Date	String	6	mmddyy		Date Redemption Fee went into effect.

Price Position Record Detailed Description new fields for Schwab Bank Savings Asset

Field Number	Field Name	Field Type	Maximum Width	Format	Fixed Value	Description
14	Annual Rate	NDP	17	9(2).9(2)		Annual percentage rate as of position date in Field 7
15	Annual Yield	NDP	11	9(2).9(2)		Annual percentage yield as of position date in Field 7.
16	Accrued Amount	NDP	17	9(11).9(2)		Accrued Cash amount for the interest to date. Interest is compound daily.

Body Record Example:

```

"PP","703","703TEST ","CASH      ",1.00000,0.000,"031715",0.000000000," ",0.00,0,0.00," ",0.00,0.00,0.00
"PP","703","703TEST ","256219106 ",0.00000,0.000,"031715",0.000000000," ",0.00,0,0.00," ",0.00,0.00,0.00
"PP","703","703TEST ","693390700 ",0.00000,0.000,"031715",0.000000000," ",0.00,0,0.00," ",0.00,0.00,0.00
"PP","703","703TEST ","80851588S ",1.00000,0.000,"031715",0.000000000," ",0.00,0,0.00," ",0.00,0.00,0.00
"PP","703","703TEST ","PCRA      ",1.00000,0.000,"031715",0.000000000," ",0.00,0,0.00," ",0.00,0.00,0.00
"PP","703","703TEST ","RBS1CSBS ",1.00000,13177.650,"031715",0.000004658,"031715",13177.65,0,0.00," ",0.17,0.17,0.25

```

Trailer Record Detailed Description

Field Number	Field Name	Field Type	Maximum Width	Format	Fixed Value	Description
1	Record Type	String	2		TL	Identifies record as a Trailer Record.
2	Position Record Count	NW	10	9		Count of all "PP" records.
3	Price Total	NDP	15	9(9).9(5)		Sum of all prices in Field 5 of PP records.
4	Position Total	NDP	15	9(11).9(3)		Sum of all prices in Field 6 of PP records.

Trailer Record Example:

"TL",8377,174862.32630,1304344392.693

Record Type	TL
Position Record Count	8377
Price Total	174,862.32630
Share Total	1,304,344,392.693

File Examples

File Name: P031815.703

```

"HD","031815","CSTC","A","12","00"
"PP","703","703TEST","CASH","1.00000,0.000","031715",0.000000000,"
",0.00,0,0.00,"",0.00,0.00,0.00
"PP","703","703TEST","256219106","10.00000,0.000","031715",0.000000000,"
",0.00,0,0.00,"",0.00,0.00,0.00
"PP","703","703TEST","693390700","20.00000,0.000","031715",0.000000000,"
",0.00,0,0.00,"",0.00,0.00,0.00
"PP","703","703TEST","80851588S","1.00000,0.000","031715",0.000000000,"
",0.00,0,0.00,"",0.00,0.00,0.00
"PP","703","703TEST","PCRA","1.00000,0.000","031715",0.000000000,"
",0.00,0,0.00,"",0.00,0.00,0.00
"PP","703","703TEST","RBS1CSBSX","1.00000,13177.650","031715",13177.65,0,0.00,"",0.17,0.17,0.25
"TL",6,34.00000,13177.650

```



Appendix B– SBS Quarterly ReportingFormat

Inbound CSTB SBS Quarterly Reporting

File Last Updated: 08/03/2016

Version: 1.1

General Description

File Reference Name:	CSTB SBS Quarterly Reporting File
File Contents:	File contains Schwab Bank Savings (SBS) balance details as of the close of business on the last Business Day of each calendar quarter.
Producers/Consumers	Generated by Third Party Administrator (TPA). Sent to Schwab.
Delivery/Production Time	Emailed via Secure Email by the close of business on the 5 th Business Day of each calendar quarter.
Field Delimiter Rules:	<p>Fields are comma delimited. Character and String fields are surrounded by double quotes. More than one comma is NOT allowed between quotes.</p> <p>Numeric fields should not be surrounded by double quotes.</p> <p>Numeric fields should not contain commas.</p>
Record Delimiter Rules:	All records are terminated by a single Carriage Return/Line Feed character combination, including the last record

File Parameter Rules

There should be a record in the file for every Plan / Forfeiture Account / Participant, Natural Persons or otherwise held, that has a balance in an SBS account as of quarter end. The file should not contain any records for Demo or Test Plans.

- There should be a single file from each Record Keeper that includes all Plans and SBS account balances held by that Record Keeper.
- The records should be presented in Plan order with a total balance as the last record for each Plan.
- The balance should be reported at the lowest breakdown level available
 - Examples:
 - If the balance can be broken down to 24 distinct balances, then do that
 - If the balance can only be broken down into 4 distinct balances, then do that
- If the balance cannot be broken down at all, then report the 1 balance
- If the balance is part of a conversion:
 - If you have the participant breakdowns you should report at that lowest level participant breakdown level.
 - If you only have the total Plan balance then report that value as a single record with “Conversion” in the Name field
 - If no balance is available then do not report.
- The report needs to be able to remove/exclude Demo or Test Plans.

The data should contain the closing balances on the last Business Day of each calendar Quarter and should include:

- Interest paid for the last month of the Quarter being reported
- Any trades with a Trade Date of the last Business Day of the quarter being reported on.
 - Example using a Quarter End date of 3/31/2020
 - Trades placed on 3/31/2020 should be included in the file
- Trades placed on or after 4/1/2020 should not be included in the file

You should have the ability to send multiple reports for a given quarter. Each report should be a FULL, COMPLETE report and should fully and completely replace any and all previous files sent for that quarter.

Notations Used:

The “Type” column in the record information uses the following notations:

- **Char** – A single character. Can be any alphanumeric character except the double quote character
- **String** – More than one character. Can be any combination of alphanumeric characters except the double quote character
- **NW** – Numeric Whole number. Numbers may contain leading zeros.
- **NDP** – Numeric with Decimal Point. Numbers may contain leading zeros.

The “Format” column in the record information uses the following notations:

- **X** – Character format
- **9** –NW format
- **9(9).9(9)** – NDP format. The number in parenthesis shows the number of digits. I.e.: 9(3).9(5) = 999.99999
- **mmddyy** – Character string date format
mm = Month, dd = Day, yy = Year

Revision History:

Date	Version	Description	Requester	Author
5/10/2016	1.0	Initial Creation		Carl Dahl
8/03/2016	1.1	Adding additional field for reconciliation		Troy Mitchell

File Name Detailed Description

Field Number	Required/Optional	Field Name	Field Type	Maximum Width	Format	Fixed Value	Description
1	R	File Type		03	X	SBS	Identifies as a Trade file
2	R	Date		06	mmddyy		Month/Day/Year file was generated (For 2000 use 00)

3	R	Generation		01	9		Generation number. Must be in the range from 1 (one) to 9 (nine) or B to Z.
4	R	Period		01		.	DOS filename/extension separator
5	R	TPA Code		03	9		TPA Identifier assigned by CSTC to a TPA

File Name Example

SBS0601993.999
SBS0317001.222

The first example is from TPA #999. It was generated on 06/01/1999 and has a generation number of 3.

The second example is from TPA #222. It was generated on 03/17/2000 and has a generation number of 1.

Notes:

- File name size is based on MS-DOS file name format of 8.3 (8 characters for the file name, a period, and 3 characters for the extension).
- If multiple files are sent on the same day, the generation numbers on the files do not have to be in any specific order but they cannot be duplicated. This guarantees each file name is unique.

Header Record Detailed Description

Field Number	Required/Optional	Field Name	Field Type	Maximum Width	Format	Fixed Value	Description
1	R	Record Type	String	02	X	HD	Identifies record as Header Record
2	R	File Date	String	06	mmddyy		Month/Day/Year file was generated (For 2000 use 00) The date must match the date in the file name.
3	R	Sender (TPA Code)	String	03	9		TPA Identifier assigned by CSTB to a TPA. The TPA Code must match

							the TPA Code from the file name.
4	R	Generation #	Char	01	9		Generation #. Should match generation # on file name.
5	R	Time	String	04	hhmm		Time file was generated in Hour/Minute format. Format is 24-hour clock.

Header record example“HD”,“060399”,“999”,“3”,“1432”

“HD”,“060100”,“222”,“1”,“0911”

The first example is for TPA 999. The file was generated on 06/03/1999 at 14:32 (or 2:32 pm) and has a generation number of 3.

The second example is for TPA 222. The file was generated on 06/01/2000 at 09:11 (or 9:11 am) and has a generation number of 1.

SBS Quarterly Reporting Detailed Description

Field Number	Required/Optional	Field Name	Field Type	Maximum Width	Decimals	Format	Fixed / Sample Value	Description
1	Required	Record Type	String	02		X	DR	Identifies record as a Detail Record. Always "DR".
2	Required	TPA Code	String	03		X	999	TPA Code assigned by Charles Schwab Trust Bank. The TPA Code must match the TPA Code in the file name.
3	Required	Plan ID	String	10		X	234567	Plan Identifier assigned by Client.
4	Required / Blank	Participant ID	String	11		X	XXX-XX-1234	<p>Required for Participant records: This is the participants SSN with the first 5 characters masked as "X"</p> <p>Blank for Non-Participant records.</p>
5	Required	Participant Name	String	50		X	Jane Doe	<p>Required for Participant records: This is the Name of the participant. First Name followed by last name with no middle initial.</p> <p>For Non-Participant records: When a forfeiture account use "Forfeiture", If a suspense account then use "Expense", If a conversion</p>

								account then use "Conversion", else use Plan Type Description.
6	Required	Date	String	6		mmddyy	063016	Month/Day/Year of the last Business Day of the quarter the file is being pulled for.
7	Required	Quarter End Balance	NDP	13	02	10(10).9(2)	27500.17	Ending SBS account balance as of the last Business Day of the quarter. Includes interest paid for the quarter and includes trades placed, but not settled on, the last day of quarter. The last record for each Plan will contain the Total Balance of all the SBS account balances for the last Business Day of the quarter.

Body record example:

For Participant Records: "DR", "999", "234567", "XXX-XX-1234", "Jane Doe", "063016", 27500.17
For Non-Participant Forfeiture Records: "DR", "999", "234567", "", "Forfeiture", "063016", 27500.17
For Non-Participant Conversion Records: "DR", "999", "234567", "", "Conversion", "063016", 27500.17
For all other Non-Participant Records: "DR", "999", "234567", "", "Defined Benefit", "063016", 27500.17
Plan Total Balance Record: "DR", "999", "234567", "", "Total Balance", "063016", 137500.85

Trailer Record Detailed Description

Field Number	Required/Optional	Field Name	Field Type	Maximum Width	Decimals	Format	Fixed Value	Description
1	R	Record Type	String	02			TL	Identifies record as a Trailer Record
2	R	Detail Record Count	NW	05				Count of all "DR" records.
3	R	Total of Plan Total Balance Records	NDP	13	02	10(10).9(2)		Total of Plan Total Balance records from DR Record Field 7 last record for each Plan.

Trailer Record example

"TL",3

Example 1:

Record Type	TL
Trade Record Count	3

Example File:

File Name: SBS051611.999

"HD","051616","999","1","1432"
 "DR","999","234567","XXX-XX-1234","Jane Doe","063016",27500.17
 "DR","999","234567","XXX-XX-1235","Jim Doe","063016",206500.84
 "DR","999","234432","","Forfeiture","063016",12620.43
 "DR","999","234432","","Conversion","063016",367920.43
 "DR","999","234432","","Suspense","063016",57.05
 "DR","999","234987","","Defined Benefit","063016",462081.10
 "TL",6



Appendix C – Schwab Bank Savings Participant Disclosure

Schwab Bank Savings Disclosure for Participants

in the [Name of Plan]

Introduction

The Schwab Bank Savings feature (“SBS”) provides each [Name of Plan] (“Plan”) participant (you) with the ability to deposit all or a portion of the funds in your Plan account into a money market deposit account (“MMDA”), a type of savings deposit, at Charles Schwab Trust Bank, a Nevada savings bank (“Trust Bank”). The MMDA is established in the name of the Plan (“Plan MMDA”) at Trust Bank by Trust Bank in its capacity as directed trustee or custodian for the Plan. Your beneficial interest in the Plan MMDA will be tracked and maintained by your Plan’s recordkeeper.

Funds from your Plan account that are deposited in the Plan MMDA at Trust Bank are eligible for Federal Deposit Insurance Corporation (“FDIC”) insurance up to \$250,000, subject to FDIC rules concerning aggregation of other deposit accounts you may have with Trust Bank. For purposes of the FDIC’s \$250,000 coverage limit, your funds, if any, in deposit accounts (including certificates of deposit) at Trust Bank held through certain other self-directed retirement plan accounts and individual retirement accounts (“IRAs”) will be aggregated with funds from your Plan account deposited in the Plan MMDA at Trust Bank. You should read with care the section headed “FDIC Insurance.” You are responsible for monitoring your deposits with Trust Bank in order to determine the extent of FDIC coverage available to you.

SBS is a capital preservation feature. Funds in SBS will not lose value unless (i) Trust Bank fails and (ii) the funds you maintain in the Plan MMDA at Trust Bank and other deposits you maintain at Trust Bank in the same capacity, when aggregated, exceed the FDIC coverage limit.

While other investment options available under your Plan may not offer capital preservation, they may provide you with the opportunity to earn a greater return than the return earned on the Plan MMDA at Trust Bank. You should consider all investment options available for your Plan account.

The Plan MMDA is a direct obligation of Trust Bank and is not an obligation of your Plan or Plan sponsor (“Plan Sponsor,” “we” or “us”).¹ Publicly available financial information about Trust Bank is available to you upon request. We do not guarantee in any way the financial condition of Trust Bank or the accuracy of any publicly available financial information concerning Trust Bank.

A “Business Day” means any day on which both Trust Bank and the New York Stock Exchange are open for business.

¹ We may appoint a third party to act on our behalf in maintaining records related to, and providing deposit and withdrawal instructions with respect to, the Plan MMDA. References to the “Plan Sponsor,” “we” or “us” include any third parties acting on our behalf in connection with SBS.



How the Schwab Bank Savings Feature Works

On any Business Day, you may request a deposit of funds from your Plan account into the Plan MMDA at Trust Bank or a withdrawal of funds from the Plan MMDA by providing us with deposit or withdrawal instructions, as applicable, in accordance with the terms of your Plan and prior to the Plan's established cut off times. For information about the Plan's cut off time for processing participant deposit or withdrawal instructions, please call (). A duly authorized investment advisor or manager acting on your behalf or on behalf of the Plan under the Plan's investment provisions may also provide us with deposit or withdrawal instructions.

If deposit instructions are communicated to the Plan's recordkeeper in accordance with its established cut off time and the Recordkeeper provides your deposit instructions to Trust Bank in a timely manner, your deposit will be made on the next Business Day. If the Recordkeeper does not provide your deposit instructions timely to Trust Bank, your deposit will be made on the second Business Day following receipt of the instructions. If you have any questions concerning the Recordkeeper's cut off times for deposit instructions, please call (). Deposits will be made by Trust Bank, who will act as your agent with respect to SBS.

Similarly, you may request a withdrawal from the Plan MMDA on any Business Day by providing us with withdrawal instructions in accordance with the terms of your Plan and prior to the Plan's established cut off time. If the Recordkeeper provides your withdrawal instructions to Trust Bank in a timely manner, your withdrawal will be made on the next Business Day. If the Recordkeeper does not provide your withdrawal instructions timely to Trust Bank, your withdrawal will be made on the second Business Day following receipt of the instructions. Withdrawals will be made by Trust Bank, who will act as your agent with respect to SBS.

Federal banking regulations require Trust Bank to reserve the right to require seven business days' prior written notice before funding a withdrawal. Although Trust Bank has indicated that it has no current intention of exercising that right, it may choose to do so in the future.

Interest

Trust Bank will establish the interest rate for the Plan MMDA prior to the last Business Day of each calendar month. The interest rate will be effective from the day following the last Business Day of the month until the last Business Day of the following calendar month. Current interest rates are posted on your retirement account website. On the last Business Day of the month, the interest rate for the following period will be posted on your retirement account website or as soon as administratively practicable following the determination of the new rate.

Upon prior notice to us, Trust Bank may change any or all of the following: (i) the day on which it establishes the current interest rate, (ii) the time at which it makes the rate available, and (iii) the time period during which the interest rate is fixed. We assume the responsibility to inform you of any of the foregoing changes that are communicated to us by Trust Bank.

Interest on funds deposited in the Plan MMDA will accrue from the day funds are deposited in the MMDA, up to, but not including, the day funds are withdrawn. Interest will compound daily and be credited to your balance in SBS monthly, on the last business day of each month. If you instruct the withdrawal in full of your balance in the Plan MMDA at any point in the month before accrued interest



has been credited and your Plan account is still open, the payment of all accrued interest up to, but not including, the day of withdrawal, will be deposited in your Plan account on or before the interest payment date. If you no longer have a Plan account, accrued interest may either be paid to you pursuant to instructions that you provide to us, reallocated and credited to the SBS balances of other Plan participants, or otherwise utilized by the Plan in accordance with its policies regarding the payment of interest after the closure of a Plan account. We will provide you with a copy of these policies upon request.

The interest rate on the Plan MMDA may be higher or lower than the interest rates or yields available to on other investments available to you through the Plan.

Statements

Your Plan account statement will reflect your balance in the Plan MMDA at Trust Bank.

Trust Bank is not responsible for the accuracy of your Plan account statements.

At any time, you may obtain information about your Plan account balance, including your MMDA balance and current interest rate, by logging on to your retirement account website or by phone at [].

Relationship with Schwab Bank

Trust Bank is the depository institution at which the Plan MMDA is established. Trust Bank, as directed trustee or custodian for your Plan, acts as your agent in establishing the Plan MMDA at Trust Bank, and depositing funds into, and withdrawing funds from, the Plan MMDA.

Your beneficial ownership of the funds deposited in the Plan MMDA will be evidenced by a book entry on records we maintain for you and other participants in your Plan. No evidence of ownership, such as a passbook or certificate, will be issued. Your Plan account statements will evidence your SBS balance, and you should retain the Plan account statements for your records. Your deposits in the Plan MMDA will be eligible for FDIC insurance based upon the dollar amount of your beneficial interest in the Plan MMDA as reflected in our records.

All transactions in the Plan MMDA will be directed by us, pursuant to instructions provided by you or other authorized parties. All information concerning your SBS balance can only be obtained from us. Trust Bank has no obligation to accept instructions directly from you with respect to SBS or the Plan MMDA, or to provide you with information concerning the Plan MMDA.

Trust Bank may, in its sole discretion, change the conditions of, or terminate, SBS at any time upon notice to us. We will provide you with notice of such changes or termination. If SBS is terminated, your balance in the Plan MMDA will be withdrawn and re-invested as directed under the Plan's investment or default provisions.

Trust Bank and its affiliates will receive certain benefits in connection with SBS as further described below.

Potential Benefits to Schwab Bank and Conflicts of Interest

Trust Bank intends to use the cash balances in the MMDA to fund current and new lending activities and investments. The profitability on such loans and investments is generally measured by the difference, or “spread,” between the interest rate paid on the MMDA and other costs of maintaining the MMDA, and the interest rate and other income earned by Trust Bank on the loans and investments made with the funds in the MMDA. The income that Trust Bank will have the opportunity to earn through its lending and investing activities is expected to be greater than the fees earned by Trust Bank and its affiliates from managing and distributing money market funds, collective trust funds, or other stable value investment options.

Charles Schwab Trust Bank, Charles Schwab & Co., Inc., a broker-dealer affiliate of Schwab Trust Bank, and other affiliates of these entities may receive direct and indirect remuneration in connection with services provided to your Plan.

FDIC Insurance

General Information. Your SBS deposits in the Plan MMDA at Trust Bank (including principal and accrued interest) are insured by the FDIC, an independent agency of the U.S. Government, up to \$250,000 when aggregated with all other deposits you hold in the same insurable capacity at Trust Bank. Your funds become eligible for deposit insurance immediately upon placement into the Plan MMDA at Trust Bank. Generally, any accounts or deposits that you may maintain directly with Trust Bank, or through any other intermediary, in the same insurable capacity as your Plan MMDA deposits would be aggregated with your Plan MMDA deposits for purposes of applying the \$250,000 federal deposit insurance limit. Under FDIC regulations, an individual’s interest in the deposits held at a bank through the following types of retirement plans and accounts will be aggregated for purposes of applying the \$250,000 deposit insurance limit:

- All types of IRAs;
- All Section 457 deferred compensation plan accounts (such as eligible deferred compensation plans provided by state and local governments regardless of whether they are self-directed);
- Self-directed defined contribution plan accounts (such as self-directed 401(k) plans, self-directed SIMPLE plans held in the form of 401(k) plans, self-directed defined contribution money purchase plans and self-directed defined contribution profit-sharing plans); and
- Self-directed Keogh plan accounts designed for self-employed individuals.

You are responsible for monitoring the total amount of deposits that you hold with Trust Bank in order to determine the extent of deposit insurance coverage available to you on your deposits, including your SBS deposits. Neither we nor Trust Bank are responsible for monitoring your SBS deposits or any other deposits held at Trust Bank.

In the event Trust Bank fails, your deposits in the Plan MMDA at Trust Bank are insured, up to \$250,000 for principal and interest accrued to the day Trust Bank is closed, based upon records maintained by us, subject to the aggregation rules described above.

In the event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to the Plan and such payments will be reflected in your Plan account maintained by us. There is no specific time period during which the FDIC must make insurance payments available, and the Plan is under no obligation to credit your Plan account with



funds in advance of payments received from the FDIC. Furthermore, you may be required to provide certain documentation to the FDIC before insurance payments are made.

Questions About FDIC Deposit Insurance Coverage. If you have questions about basic FDIC insurance coverage, you may wish to seek advice from your own attorney concerning the FDIC insurance coverage of your deposits. You may also obtain information by contacting the FDIC, Deposit Insurance Outreach, Division of Supervision and Consumer Affairs, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342 or 800-925-4618 (TDD)), by visiting the FDIC website at www.fdic.gov/deposit/index.html, or by e-mail using the FDIC's On-line Customer Assistance Form available on its website.

Appendix D – Approved FDIC Coverage and Other Required Disclosures

1. *Unless the Rate Sheet is posted and made available to plan participants (see pages 17-19), the following FDIC coverage disclosure is required on participant web pages, statements, fee disclosures and select notices referencing SBS (e.g., investment election, investment rebalancing, or loan disbursement from SBS). Consult with your recordkeeping software and statement vendors to determine the extent to which this is already programmed for you.*

“SCHWAB BANK SAVINGS AND FDIC COVERAGE”

“Schwab Bank Savings (“SBS”) is a money market deposit account (“MMDA”) established for your Plan at Charles Schwab Trust Bank (“Trust Bank”).

The portion of your Plan account that you allocate to SBS is eligible for Federal Deposit Insurance Corporation (“FDIC”) insurance up to \$250,000 subject to the FDIC rules concerning aggregation of deposit accounts you hold in the same capacity with Trust Bank. You are responsible for monitoring the total amount of deposits you maintain directly with Trust Bank in an individual retirement account or self-directed employee benefit plan account. Because the deposit insurance rules are complex, you may want to contact the FDIC or use the FDIC’s online tool, Electronic Deposit Insurance Estimator (<https://fdic.gov/edie>) to estimate your total coverage. (0719-9Z6B)”

2. *In addition to the “Schwab Bank Savings and FDIC Coverage” language above, the following verbiage must also be included on participant quarterly statements (front or back side). See sample page 30.*

“SCHWAB BANK SAVINGS INTEREST”

“Interest compounds daily and is credited monthly to your Schwab Bank Savings (“SBS”) balance on the last Business Day of the month. A “Business Day” is any Monday through Friday that is not a Federal Reserve Bank or New York Stock Exchange holiday.

The interest rate is in effect for the entire interest period, which ends the last Business Day of each month. Trust Bank may adjust the interest rate prospectively on the day following the last Business Day of the month, which starts the next interest period.

Current interest rate and yield information is posted on <insert website address or “your retirement plan website” if customization is limited>, and any changes are posted as soon as administratively practicable. Please refer to the “as of” or “effective through” date of rates and yields displayed. The rate displayed on this statement may not have been in effect for the entire statement period. Interest credited during this statement period and reflected in your SBS balance may include interest accrued in a prior statement period. (0719-9Z6B)”

3. *In addition to “Schwab Bank Savings and FDIC Coverage” language on previous page, the following verbiage must also be included on participant fee disclosures.*

“FDIC Insured Money Market Deposit Account – Schwab Bank Savings (“SBS”) is a capital preservation option that is not subject to market risk and bears a stated interest rate set on a monthly basis, which remains in effect until at least the last Business Day of the month. Trust Bank may adjust the rate prospectively on the day following the last Business Day of the month. A



TRUST BANK

“Business Day” is any Monday through Friday that is not a Federal Reserve Bank or New York Stock Exchange holiday.

Interest compounds daily and is credited monthly on the last Business Day of each month. The annual percentage yield (“APY”) is the percentage that reflects the total amount of interest paid on an account, based on the annual percentage rate (“APR”) and compounding frequency for a 365-day period. Current rate and yield information may be obtained at *<insert website address or “your retirement plan website” if customization is limited>*.

There are no operating expenses, shareholder-type fees, or restrictions applied to your holdings in Schwab Bank Savings. Trust Bank earns compensation from the “spread” between what the bank earns from investing activities and the interest rate it pays participants. (0719-9Z6B)”

Schwab Bank Savings: *<XX.XX%>* APR *<XX.XX%>* APY as of *<insert date>*