

ERISA 408(b)(2) Fee Disclosure Report

- Services Provided by Schwab
- Status as a Fiduciary
- Compensation Paid to Schwab

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Introduction

The Employee Retirement Income Security Act of 1974 (ERISA), as amended, requires employee benefit plan fiduciaries to act solely in the interests of, and for the exclusive benefit of, plan participants and beneficiaries. As part of that obligation, plan fiduciaries should consider cost, among other things, when choosing investment options for the plan and selecting plan service providers. The information in this report is provided by Charles Schwab & Co., Inc., as a Covered Service Provider, to satisfy the service provider fee disclosure requirements under Section 408(b)(2) of ERISA. This information should assist the plan fiduciary in making informed cost-benefit decisions with respect to your plan.

In general, a Covered Service Provider is a service provider that enters into a contract or arrangement with a plan and reasonably expects \$1,000 or more in compensation, direct or indirect, to be received in connection with the following services:

- Service as a fiduciary or registered investment advisor
- Certain recordkeeping or brokerage services
- Other services for indirect compensation, such as audit, accounting, legal, and valuation services

Compensation is anything of monetary value (for example, money, gifts, awards, and trips), but does not include non-monetary compensation valued at \$250 or less, in aggregate, during the term of the contract or arrangement.

Direct compensation is compensation received directly from the plan. Any fees paid directly from plan assets are considered direct compensation, as is any compensation that is paid by the plan sponsor but is later reimbursed from the plan.

Indirect compensation is compensation received from any source other than the covered plan, the plan sponsor, or an affiliate. Compensation received from a subcontractor is indirect compensation, unless it is received in connection with services performed under the subcontractor's contract or arrangement.

This report details the fees your plan will currently pay for services provided by Schwab as further defined in this report. We have tried to make the report as comprehensive and easy to

understand as possible. Please remember that fees can change based on changes made to your plan investments, services we provide, transactions that take place in your plan, and other factors. We will notify you of changes to our compensation as soon as practicable, but not later than 60 days after a change has occurred.

Additional Information

The amounts illustrated in this disclosure represent estimated plan expenses. Additional information about fees relating to specific investments may be obtained from the applicable investment product prospectus or other similar documents. Schwab makes no representations as to the completeness or accuracy of the information contained in the fund tables within this report, prospectus, or other similar documents with respect to unaffiliated funds. Additional information about plan services and expenses is contained in the applicable Schwab pricing guides, other fee disclosures, and account applications and agreements. As there may be other plan fees and expenses charged to the plan by other service providers, the plan fiduciary should consider contacting all of its plan service providers to request fee information with respect to their services.

Schwab Entities

The following Schwab entities may work together to provide services for your plan and may share the proceeds of the compensation received for those services. Unless specifically noted, the term "Schwab" refers to these companies and their affiliates:

- Charles Schwab & Co., Inc. (CSCO—EIN 94-1737782)
- Charles Schwab Investment Management, Inc. (CSIM—EIN 94-3106735)
- Charles Schwab Investment Advisory, Inc. (CSIA—EIN 27-1073440)
- Charles Schwab Bank (the Bank—EIN 42-1558009)
- Charles Schwab Trust Bank (CSTB—EIN 82-3967259)

Charles Schwab Investment Management, Inc. (CSIM) is an affiliate of Charles Schwab & Co., Inc. (CS&Co.). Charles Schwab Investment Advisory, Inc. (CSIA) is a registered investment adviser and an affiliate of CS&Co.

Brokerage products and services are offered by Charles Schwab & Co., Inc. (Member SIPC).

Services Provided by Schwab

Brokerage Services

Brokerage services for your plan that are provided by Charles Schwab & Co., Inc. include but are not limited to the following. If Schwab receives compensation from these services, it is disclosed in this report or its attachments.

- Wire transfers
- Check deposits and ACH (MoneyLink) transactions
- Issuance of checks
- Brokerage trading services
- Expanded array of investment options, including stocks, bonds, mutual funds, and exchange-traded funds (ETFs)¹
- Periodic brokerage statements
- Schwab Advisor Network[®] referral program²
- Managed Account Services (MAS)
- Mutual Fund OneSource[®] program
- Security custody services

Investment Management Services

Charles Schwab Investment Management, Inc. (CSIM) earns compensation for advisory and certain administrative services performed for the Schwab affiliated funds, including the SchwabFunds Family[®] (“Schwab Funds[®]”), Schwab’s money market funds, the Laudus Funds[®], and Schwab Exchange-Traded Funds[™] (Schwab ETFs[™]).

Charles Schwab & Co., Inc. (CS&Co.) makes Schwab Managed Account Services[™] (MAS) and Schwab Managed Portfolios[™] (SMP) available to many of its clients and client accounts. The MAS program allows clients to select a Money Manager to manage designated account assets according to a stated investment strategy. Clients access Windhaven[®] Strategies through the program by selecting Charles Schwab Investment Advisory, Inc. (CSIA) as a Money Manager. The SMP program allows clients to choose among stated mutual fund and ETF investment strategies. CSIA, a registered investment advisor, manages the designated SMP strategies. Compensation to Schwab and its affiliates for these programs is in the form of an asset-based pricing rate charged against the account balance. If any of your plan’s accounts enroll in an MAS or SMP program, you will receive notification of the new asset-based pricing fee.

There are two advice programs available for accounts in your plan, subject to a minimum account balance. The first is Schwab Managed Portfolios – Third-Party Mutual Funds, and the second is Windhaven Strategies. The fees for the programs are shown on the following page.

Brokerage Products: Not FDIC-Insured • No Bank Guarantee • May Lose Value

¹ Investors should consider carefully information contained in the prospectus, including investment objectives, risks, charges, and expenses. You can obtain a prospectus at Schwab.com or by calling a Schwab representative. Please read the prospectus carefully before investing. Schwab makes no representations as to the completeness or accuracy of the information contained in the prospectus or other similar documents with respect to unaffiliated funds.

² For additional information, please refer to the Schwab Advisor Network Referrals section under Other Fees and Compensation.

Schwab Managed Portfolios™ – Third-Party Mutual Funds

Daily Eligible Assets	Annual Asset-Based Pricing Fee (% of assets)
First \$250,000	0.50%
Next \$250,000	0.35%
Assets over \$500,000	0.25%

Windhaven® Strategies

Daily Eligible Assets	Annual Asset-Based Pricing Fee (% of assets)
First \$500,000	0.95%
Next \$500,000	0.90%
Next \$1,000,000	0.80%
Assets over \$2,000,000	0.70%

The asset-based pricing fee covers all commissions associated with trades made by Schwab in the Schwab Managed Portfolios accounts. Learn more at www.schwab.com/SMPmutualfunds or www.schwab.com/windhaven.

Status as a Fiduciary

Schwab's affiliated investment advisors, Charles Schwab Investment Management, Inc. (CSIM) and Charles Schwab Investment Advisory, Inc. (CSIA), each act as money managers for designated MAS strategies. CSIA manages the SMP and Windhaven strategies. Schwab, CSIM, and CSIA each are registered under the Investment Advisers Act of 1940. If a plan or plan account enrolls in an MAS equity strategy for which CSIM is

the money manager, CSIM will be a fiduciary and registered investment advisor with respect to the account assets invested in the strategy. If a plan or plan account enrolls in an SMP or Windhaven strategy, CSIA will be a fiduciary and a registered investment advisor, with respect to the account assets invested in the strategy.

Compensation Paid to Schwab

Charles Schwab & Co., Inc., as a broker-dealer, will receive compensation when clients trade stocks, options, mutual funds, bonds, and other securities in Schwab accounts. Also Schwab may charge for certain transactions, such as a wire or issuance of a check. This compensation is detailed in the Commissions and Transaction Fees section of the *Charles Schwab Pricing Guide for Individual Investors*. Any fees paid directly from plan assets are considered “direct compensation,” as is any compensation that is initially paid by the plan sponsor but is then reimbursed from the plan.

In addition, when mutual funds and other investment products are purchased, Charles Schwab & Co., Inc. may receive compensation from third parties or affiliates in addition to the

fees paid by the plan. These payments from third parties and affiliates, which are considered indirect compensation, are detailed in the Mutual Fund Compensation section and in the Other Fees and Compensation section in this report. In general, any payments received by Schwab, other than from the covered plan, the plan sponsor, or its affiliates, are considered indirect compensation. This compensation is detailed in the Mutual Fund Compensation section and in the Other Fees and Compensation section of this report.

Please review carefully the accompanying *Charles Schwab Pricing Guide for Individual Investors* for a description of the standard Schwab fees that may apply to your plan.

Mutual Fund Compensation

Schwab receives compensation from mutual fund companies when clients invest in a mutual fund. This includes fees and other remuneration from the fund companies or their affiliates for the recordkeeping, shareholder services, and other administrative services that Schwab provides to shareholders of the funds. These shareholder services include transaction processing, settlement of trades, dividend distribution, record maintenance, and distribution of statements, confirmations, prospectuses, and other regulatory shareholder documents. Unless otherwise indicated, these fees are not paid directly from a client account.

The type of compensation depends on the manner in which the fund is made available to customers at Schwab, including:

- Schwab Mutual Fund OneSource® service and other no-transaction-fee funds
- Transaction-fee funds
- Load funds
- Schwab Affiliated Funds

Schwab may receive certain amounts from various mutual fund companies to offset the costs associated with educational programs such as client conferences, internal seminars, articles, and publications. These sponsorships are unrelated to the services provided by Schwab with respect to the plan and any of its mutual fund holdings at Schwab.

Schwab Mutual Fund OneSource Service and Other No-Transaction-Fee Funds

Through Schwab Mutual Fund OneSource, Schwab makes available a selection of no-load and load-waived mutual funds. Schwab receives remuneration for shareholder services provided to these funds and other no-transaction-fee funds (collectively, “NTF funds”).

To compensate Schwab for shareholder services, NTF funds pay Schwab an asset-based annual fee that usually equals 0.40% of the average fund assets held at Schwab but may be as high as 1.10%. The fee may be subject to a monthly minimum that generally does not exceed \$2,000 and applies beginning with the

seventh full month after the fund is made available for purchase at Schwab. When adding a new fund to Schwab's NTF platform, NTF funds also pay Schwab a one-time establishment fee, which Schwab may waive. The amount of this fee generally does not exceed \$10,000 for the first fund added and \$1,000 for each new fund after that. To the extent that any part of these fees is paid out of fund assets, fees are included in the fund's operating expense ratio (OER), which means the fees are indirectly borne by the fund's shareholders.

Transaction-Fee Funds ("Fee Funds")

As set forth in the Commissions and Transaction Fees section of the *Charles Schwab Pricing Guide for Individual Investors*, Schwab charges clients a transaction fee for the purchase or sale of certain funds that are not included in the Schwab Mutual Fund OneSource® program. Some Fee Funds pay Schwab an annual fee usually equal to \$20, but sometimes as high as \$30, per customer position, typically subject to a quarterly minimum of \$7,500 per fund. Rather than paying a per-customer account fee, some Fee Funds choose instead to pay Schwab an asset-based annual fee of up to 0.25% of the average assets held at Schwab.

When adding a new fund to Schwab's platform, Fee Funds also pay Schwab a one-time establishment fee, which Schwab may waive. The amount of this fee generally does not exceed \$10,000 for the first fund added and \$2,000 for each new fund after that. To the extent any of these fees are paid out of fund assets, fees are included in the fund's OER and are indirectly borne by the fund's shareholders.

Both types of fees are in addition to the transaction fee that clients pay to Schwab.

Load Funds

When clients purchase or redeem shares of a load fund through Schwab, either a front-end or back-end sales charge (a "sales load") may be assessed.

Schwab will receive all or a portion of any front-end sales load that clients are charged on the purchase of fund shares, the amount of which is described in the prospectus.

Generally, Schwab does not allow the purchase of back-end load funds but, as an accommodation to its customers, will custody shares and process redemption transactions for shareholders. Schwab does not receive any portion of the sales charge in connection with the purchase or redemption of shares of back-end load funds, the amount of which is also set forth in the fund's prospectus.

Load funds also pay Schwab fees for shareholder services out of their distribution and/or servicing plans (also known as Rule 12b-1 plans), the amounts of which are determined by the funds' boards of trustees and disclosed in their prospectuses. Shareholder service fees paid to Schwab pursuant to a 12b-1 plan are included in the fund's OER and are indirectly borne by the fund's shareholders.

Schwab may also receive an annual per-account fee from load funds for additional account maintenance services, typically referred to as networking fees or sub-accounting fees and most often equal to \$6.

Schwab Affiliated Funds

Schwab currently has two affiliated mutual fund families: Schwab Funds® and Laudus Funds®. Schwab's affiliate, Charles Schwab Investment Management, Inc. (CSIM), serves as investment advisor to both fund families. These Schwab Affiliate Funds pay CSIM a fee for investment advisory services, the amount of which is described in the funds' prospectuses. For Schwab Funds, this fee can range from 0.06% to 1.05% annually, while Laudus Funds can pay an annual fee ranging from 0.60% to 1.27%. These rates represent the management fee to which CSIM is entitled, a portion of which may be waived by CSIM. This fee is included in the funds' OER and is indirectly borne by the shareholders.

All Schwab Funds and Laudus Funds are part of Schwab's Mutual Fund OneSource® platform. Consequently, like unaffiliated Mutual Fund OneSource and NTF mutual funds, the Schwab Funds® and Laudus Funds® pay Schwab an asset-based fee for the shareholder services that Schwab provides.

Schwab Funds have adopted a shareholder servicing plan with fees for shareholder services ranging from 0.02% to 0.25% annually on all funds except the Schwab Target Funds and Schwab® Monthly Income Funds. Laudus Funds pay a fee ranging up to 0.40% annually for the shareholder services that Schwab provides, of which all or a portion may be paid from the funds' Distribution and Shareholder Service Plan (12b-1 plan). These fees are part of the funds' OER and are indirectly borne by the funds' shareholders.

In aggregate, the fees Schwab receives from Schwab Affiliate Funds are greater than the compensation Schwab receives from unaffiliated fund companies participating in the Schwab Mutual Fund OneSource service.

In addition, Schwab makes available proprietary ETFs.³ CSIM is the investment advisor for these funds. The OERs for these funds range from 0.04% to 0.48%. They do not charge 12b-1 fees. The OER is paid to CSIM.

CSIM prime and municipal money market funds may be subject to fund-imposed liquidity fees of up to 2% on amounts sold during the imposition of such a fee. CSIM prime and municipal money market funds may also be subject to redemption gates,

suspending all redemptions and purchases for up to 10 business days in any 90-day period. For more information on liquidity fees and redemption gates, please refer to the fund prospectus.

Non-Proprietary Money Market Funds

Money market funds may be subject to fund-imposed liquidity fees of up to 2% on amounts sold during the imposition of such a fee. Money market funds may also be subject to redemption gates, suspending all redemptions and purchases for up to 10 business days in any 90-day period. For more information on liquidity fees and redemption gates, please refer to the fund prospectus.

Estimated Mutual Fund Compensation

Below are examples of compensation that Schwab receives from mutual fund companies. Rates are shown for the different fund categories at Schwab. The second column of the table shows the range of compensation rates paid to Schwab by the fund companies for the fund categories. The third and fourth columns show compensation amounts based on the following example. Assume that for each fund category in the table below, \$10,000 was invested in the fund on January 1 and held until December 31 of the same year, and that the fund did not change in value over that period. The examples below are illustrative and hypothetical. Actual fees will vary depending upon multiple factors, including fluctuations in the values of fund shares and differences in the fee rates negotiated between Schwab and particular funds.

³ Remember that cost is only one consideration when making an investment decision. Some specialized exchange-traded funds can be subject to additional market risks. Investment returns and principal value of ETFs and index mutual funds will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Unlike mutual funds, shares of ETFs are not individually redeemable directly with the ETF. Index funds are not without risk. **All ETFs and index mutual funds are subject to management fees and expenses.**

Investors should consider carefully information contained in the prospectus, including investment objectives, risks, charges, and expenses. You can obtain a prospectus by visiting www.schwabETFs.com. Please read the prospectus carefully before investing.

Mutual Fund Category	Compensation Rates Received by Schwab From Fund Companies	Compensation Rates Assumed for Above Example	Fund Payment to Schwab†
No-transaction-fee funds other than Schwab Affiliated Funds (includes OneSource funds)	0.30% to 1.10% of fund assets	0.40% of fund assets	\$40
Transaction-fee funds	\$20 per position per account or 0.15% of average fund assets	\$20 per position per account or 0.15% of average fund assets	\$20 or \$15
Load funds*	0.25% shareholder services fee and \$6 annual networking fee	0.25% shareholder services fee and \$6 annual networking fee	\$25 + \$6 = \$31
Schwab Affiliated Funds			
Laudus Funds®	Paid to CSIM: 0.60% to 1.27% Paid to CS&Co.: 0.00% to 0.40%	1.27% investment advisory fee (paid to CSIM) and 0.40% shareholder servicing fee	\$127 + \$40 = \$167
Schwab Funds®	Paid to CSIM: 0.06% to 1.05% Paid to CS&Co.: 0.02% to 0.25%	1.05% investment advisory fee (paid to CSIM) and 0.25% shareholder servicing fee	\$105 + \$25 = \$130
Schwab ETFs™‡	Paid to CSIM: 0.04% to 0.48%	0.48% investment advisory fee (paid to CSIM)	\$48

Schwab affiliated mutual funds—CSIM earns compensation for investment advisory and administrative services provided to the Schwab affiliated mutual funds and Schwab ETFs. The rates listed above for CSIM represent the management fee to which CSIM is entitled, a portion of which may be waived by CSIM.

*The front-end load that a mutual fund charges may be obtained from the fund prospectus. Funds may make available breakpoints where the load is reduced based on the dollar amount invested in the fund. If these funds are purchased at Schwab, we may receive all or a portion of the front-end load as compensation. Please see the Load Funds section under Mutual Fund Compensation for additional information on these charges.

† Excludes front-end loads and transaction fees paid to Schwab.

‡ Schwab ETFs are distributed by SEI Investments Distribution Co. (SIDCO). SIDCO is not affiliated with The Charles Schwab Corporation or any of its affiliates.

Investors should consider carefully information contained in the prospectus, including investment objectives, risks, trading policies, charges, and expenses. You can obtain a prospectus at Schwab.com or by calling a Schwab representative. Please read the prospectus carefully before investing. Schwab makes no representations as to the completeness or accuracy of the information contained in the prospectus or other similar documents with respect to unaffiliated funds.

We will notify you about changes in a Schwab proprietary fund rate or compensation paid to Schwab from unaffiliated funds. You will not receive notification each time an unaffiliated fund's OER changes. More information related to the OERs for unaffiliated mutual funds may be obtained at any time by requesting a fund prospectus or visiting Schwab.com. Schwab makes no representations as to the completeness or accuracy of the information contained in the prospectus or other similar documents with respect to unaffiliated funds.

Other Fees and Compensation

Fixed Income Trades

Schwab may act as principal or agent in executing individual bond and other fixed income trades in client accounts. Acting as principal means Schwab sells securities directly to clients, either by owning securities that sell on the secondary market or by participating in dealer syndicates that allow us to acquire inventory of new-issue securities. Acting as an agent, in contrast, means Schwab executes trades on behalf of clients but does not own the securities being traded.

When we sell clients a fixed income security from our own account or purchase from clients a fixed income security for our own account, the price the clients pay or receive reflects the bid-ask spread at which an order is executed. Schwab also stands to make or lose money depending on what has happened to the price of the security while we have held it. Likewise, when we sell you new-issue securities, Schwab receives a customary selling concession, which ranges from less than 0.01% to 2% of the par value, or face amount, of the bond, depending on the product. The percentage rate of the selling concession may differ not only between different new-issue offerings, but also between different series and bond maturities within a single offering.

Schwab typically receives a fee from each issuer in connection with the placement of a certificate of deposit (CD). Schwab may seek to negotiate a higher or lower placement fee based on Schwab's view of competitive necessities. The amount of the placement fee paid to Schwab will affect the interest rate the issuer is willing to pay. Placement fees paid to Schwab generally range from 0 to 65 basis points (0.65%). Except for the markup or markdown in connection with a secondary market transaction and a handling fee, if any, disclosed on your trade confirmation, you will not be charged any commissions in connection with your purchase of a CD.

Structured Products

Schwab makes available to its clients various structured products, including principal-protected notes, structured certificates of deposit, buffered notes, leveraged notes, and reverse convertible notes. Schwab receives a one-time dealer concession, which is built into the purchase price, when clients buy a structured product. The amount of the concession typically ranges from approximately 1.5% to 3.5% of the par value, or face amount, depending on the structured product.

Schwab Advisor Network® Referrals

Through the Schwab Advisor Network, Schwab refers individual investors to independent investment advisors, who provide a wide range of financial planning and wealth management services. Advisors participating in Schwab Advisor Network are independent and not affiliated with Schwab. Although Schwab does not charge a fee for making these referrals, investment advisors pay a quarterly fee to Schwab to participate in the program. The fee has a sliding scale that starts at 0.25% of the assets attributable to the referral made by Schwab.

Advisors participating in the Schwab Advisor Network are independent and are not employees or agents of Charles Schwab & Co., Inc. ("Schwab"). Schwab prescreens advisors and checks their experience and credentials against criteria Schwab sets, such as years of experience managing investments, amount of assets managed, professional education, regulatory licensing, and business relationship as a client of Schwab. Advisors pay fees to Schwab in connection with referrals. Schwab does not supervise advisors and does not prepare, verify, or endorse information distributed by advisors. Investors must decide whether to hire an advisor and what authority to give him or her. Investors, not Schwab, are responsible for monitoring and evaluating an advisor's service, performance, and account transactions. Services may vary depending on which advisor an investor chooses.

Prime Broker and Trade-Away Services

Schwab makes available prime broker and trade-away services to certain accounts, primarily those managed by an independent investment advisor, which allows for trades to be executed at another firm and settled at Schwab. Schwab's standard fee for this service is \$25 per transaction. This fee may not be charged on accounts with asset-based pricing.

Order Routing

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, 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. CS&Co. may receive remuneration, such as liquidity or order flow rebates from a market or firm to which orders are routed. Quarterly information regarding the markets and firms to which CS&Co. routes orders and the remuneration received is available under "Important Notices" at Schwab.com or in written form upon request. Information regarding the specific routing destination and execution time of orders for up to a six-month period is also available upon request.

A. Securities Listed on the NYSE.

For securities listed on the NYSE, CS&Co. routes trades with the following market makers: UBS Securities LLC, Citadel Derivatives Group, Citigroup, Goldman Sachs, and Knight Capital Markets, LLC. For orders routed on the NYSE, CS&Co. receives payments that range from \$.00085 to \$.0012 per share.

B. Securities Listed on the NYSE or Regional Exchanges.

For securities listed on the NYSE or regional exchanges, CS&Co. routes trades with the following market makers: UBS Securities LLC, Citadel Derivatives Group, Citigroup, Goldman Sachs, and Knight Capital Markets, LLC. For orders routed on the NYSE or regional exchanges, CS&Co. receives payments that range from \$.00085 to \$.0012 per share.

C. Securities Listed on the NASDAQ Stock Market.

For securities listed on the NASDAQ Stock Market, CS&Co. may route trades with the following market makers: UBS Securities LLC, Citadel Derivatives Group, Citigroup, Goldman Sachs, and Knight Capital Markets, LLC. For orders routed on the NASDAQ Stock Market, CS&Co. receives payments that range from \$.00085 to \$.0012 per share.

D. Exchange-Listed Options.

CS&Co. routes orders in exchange-listed equity and index options to UBS Securities LLC, Wolverine Execution Services LLC, Susquehanna International Group, Morgan Stanley, Knight Capital Markets, LLC, LiquidPoint LLC, Citadel LLC, and Citigroup, which employ smart order routing technology to seek best execution. Payments received for routing orders through

these intermediaries averaged less than \$0.34 per contract for orders executed in the quarter.

Cash Float

Schwab and its affiliates may retain as compensation for services an 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 plan accounts. Such interest retained by Schwab shall generally be at money market rates.

Assets awaiting investment or deposit include (1) amounts deposited into your plan accounts; and (2) any other uninvested assets held by your plan accounts 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, or deposited into a sweep bank feature at Schwab Bank, which is an FDIC-insured depository institution affiliated with The Charles Schwab Corporation, at which interest-bearing deposit accounts are maintained on your plan's behalf). With respect to such assets awaiting investment or deposit (i) where such assets are received by Schwab on a business day and before deposit cutoff time for the local Schwab branch with which the funds are deposited, such interest may be earned by Schwab through the beginning of the following business day; or (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 branch's deposit cutoff time, such interest may be earned through the beginning of the second following business day. A business day is defined as any day that the New York Stock Exchange and the Federal Reserve Bank of New York are open. (Although our offices may be open on certain bank holidays, these days are not considered business days for purposes relating to the transfer of funds.)

When Schwab receives a request for a distribution from a plan 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 the plan account. The distribution check will be written and mailed on the following business day. Schwab will earn interest beginning on the date the 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 a verbal update to determine the status of the outstanding distribution checks.

If a Schwab MoneyLink® transfer is requested from a plan account to another financial institution, (1) the amount of the transfer will be debited from the account on the day that the transfer process is commenced; (2) 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 (3) Schwab may earn interest on that amount beginning on the date the account is debited and ending on the date the electronic funds transfer is received by the other financial institution and thereby debited from Schwab's bank account.

If an account's cash interest-bearing feature changes from one cash feature to another, the account will generally stop earning interest or dividends, as the case may be, on the day of the request. If a new cash interest-bearing feature is designated before the close of business on a business day, the account's free credit balances will be swept to the 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. Free credit balances are defined as the uninvested cash in your account, minus the following: (1) funds necessary to pay for purchase transactions due to settle within the next two business days after the sweep date; and (2) charges to an account, including, but not limited to, wire transfers and checking transactions. In determining whether to sweep funds into the cash feature, we may, but are not obligated to, offset credits and debits against each other. Proceeds from the sale of securities will not become part of the 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 part of the free credit balance until the next business day. If a new cash feature is designated after the close of business or on a non-business day, the free credit balances will be invested or deposited into the 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 all cash features are removed from an account, the account may not earn income on the free credit

balances in the account and Schwab may retain as compensation for services the account's proportionate share of any interest earned on the free credit balances.

Cash Features Program and Compensation

Through the Cash Features Program, which includes Bank Sweep for Benefit Plans, Schwab automatically makes deposits to and withdrawals from deposit accounts (the "Deposit Accounts") at Charles Schwab Bank and Charles Schwab Trust Bank ("Affiliated Banks"), institutions affiliated with Schwab, whose deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") up to the applicable limits.

The Affiliated Banks will use the cash balances in the Deposit Accounts to fund current and new lending activities and investments. The income that the Affiliated Banks may earn through their lending and investing activities is expected to be greater than the fees earned by Schwab and its affiliates from managing and distributing the Schwab® Sweep Money Funds or paying interest under the Schwab One® interest feature. The profitability on such loans and investments is generally measured by the difference, or "spread," between the interest rate paid on the Deposit Accounts and other costs of maintaining the Deposit Accounts, and the interest rate and other income earned by an Affiliated Bank on the loans and investments made with the funds in the Deposit Accounts. Such deposits are anticipated to provide a stable source of funds for the Affiliated Banks' lending and investment activities. The cash balances may also be used to provide funds to develop products and services for Schwab-affiliated companies to the extent permitted by applicable law.

Schwab provides administrative services to the Affiliated Banks in support of the operation of the Bank Sweep feature (such as Bank Sweep for Benefit Plans). The Affiliated Banks pay Schwab an annual per account flat fee of up to \$20 for these administrative services. Schwab reserves the right to increase, decrease, or waive all or part of this fee. Schwab will notify you in advance of any increase. Schwab and certain of its affiliates also provide operational, technology, and other services to the Affiliated Banks and receive compensation for those services. In addition, certain employees and registered representatives may be compensated, in part, based directly or indirectly on assets in

the Bank Sweep feature or the profitability of the Bank Sweep feature for the Affiliated Banks and Schwab's joint parent company, The Charles Schwab Corporation. Please refer to the Cash Features Disclosure Statement for additional information on the Bank Sweep for Benefit Plans feature and on compensation to Schwab from cash balances in the Deposit Accounts. The latest version of the Cash Features Disclosure Statement can be found at schwab.com/cashfeaturesdisclosure.

Trade Error Compensation

When it is brought to our attention that a trade error falls within the scope of our services to the plan, CS&Co. will correct the error as soon as possible after the error has been identified, with the goal of putting the plan account into the same position that would have resulted if the error had not occurred. If the error is the result of our breach of responsibilities to the plan, we will make the plan account "whole" for any losses that may have resulted from the error. Nevertheless, under some circumstances, our correction of an error could result in a gain. If there is such a gain, Schwab will retain the amount of the gain, which may constitute part of our compensation for services rendered to the plan.

In addition, if an independent investment advisor manages an account in your plan, the advisor may make an error in submitting a trade. When this occurs, the advisor may place a correcting trade with Schwab. If an investment gain results from the correcting trade, the gain will remain in the account unless (1) the same error involved other client account(s) that should have received the gain; (2) it is not permissible for the account to retain the gain; or (3) the gain is declined. If the gain does not remain in the account, Schwab will donate the amount of any gain totaling \$100 and more to charity. If a loss of \$100 or greater occurs, the advisor will pay for the loss in accordance with their trade correction policy. Schwab will pay the loss or retain the gain (if such gain is not retained in the account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses, they may be netted. Schwab will correct advisor trade errors, consistent with the advisor's instructions and this policy. Please contact the independent investment advisor(s) for more

information regarding your advisor's trade error policy and corrective trades which may have occurred in your plan account(s).

In general, the net gain or loss amount is calculated based on the difference in cost between the original incorrect trade(s) and the cost of the corrective transaction(s) needed to place the account in the position it would have been had there been no error. If necessary trade corrections result in Schwab compensation for a plan year, the amount will be reported on your annual Plan Sponsor Fee Disclosure for Form 5500-C.

Non-Monetary Compensation

Schwab policy prohibits employees from accepting non-monetary compensation, as that term is defined under ERISA Section 408(b)(2). For purposes of Section 408(b)(2), non-monetary compensation does not include gifts or other items of value received by Schwab employees directly from the plan sponsor. As a result, it is not anticipated that non-monetary compensation received by Schwab as a covered service provider for your plan will exceed the minimum threshold of \$250 over the term of the contract or arrangement which would require disclosure under the regulation. In the event Schwab employees receive non-monetary compensation which is required to be disclosed under the regulation, such amounts will be disclosed accordingly.

Educational Conferences

From time to time, various Schwab entities, previously identified, host or attend educational conferences for audiences that may include:

- Independent recordkeepers and consultants
- Schwab financial and portfolio consultants
- Registered investment advisors
- Individual investors

Unrelated third parties may provide financial subsidies for attendance at these educational conferences.

Estimated Compensation Paid to Schwab for Participant-Level Accounts

The table below shows Schwab’s estimated average annual revenue per account for participant-level accounts based on historical data at Schwab for the prior 12 months. The types of revenue are defined as follows:

- Trading and commission fees include transaction fees on trades placed in the accounts.
- Mutual fund compensation includes fees paid to Charles Schwab & Co., Inc. by mutual fund companies on asset holdings.

Account Size	Estimated Trading and Commission Fees per Account	Estimated Number of Commission Trades per Account	Estimated Compensation From Mutual Funds per Account
\$0–\$50,000	\$15.18	1	\$17.07
\$50,000–\$100,000	\$154.65	8	\$113.03
\$100,000–\$250,000	\$151.38	11	\$224.91
Over \$250,000	\$279.65	21	\$583.17

Notes Regarding Information in This Report


The information provided above is obtained from sources deemed to be reliable. However, its accuracy cannot be guaranteed. Errors and omissions can occur. The information provided is not intended to be investment or tax advice. None of the information constitutes a recommendation by Schwab or a solicitation of an offer to buy or sell any securities.

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