



# Add a Schwab Global Account™ to an Existing Schwab One® Account

[www.schwab.com](http://www.schwab.com) | 1-800-435-4000 (inside the U.S.) | +1-415-667-5009 (outside the U.S.) | 1-888-686-6916 (multilingual services)

Use this application if you have an existing Schwab One account or a Schwab One account with a linked Schwab Bank High Yield Investor Checking® account and want to add a Schwab Global Account.

This personal account application cannot be used if you have one of the account types below; for assistance, call one of the numbers above.

- A corporate, business, trust, organizational, or international account.
- Retirement and custodial account types are not eligible for a Schwab Global Account.

### Important notes about Power of Attorney (POA) and Designated Beneficiary Plan (if applicable):

- If you have appointed a POA on your Schwab One brokerage account, the account holder name(s) and POA(s) must be identical at all times between the Schwab One account and the Schwab Global Account.
- If you have appointed a POA or designated beneficiary on your Schwab One brokerage account, contact Schwab for the required forms to apply your POA or Designated Beneficiary Plan to your associated Schwab Global Account. Your Schwab Global Account cannot be established until Schwab receives this paperwork.

## 1. This Section Helps You Determine Your Eligibility for a Schwab Global Account

- If you are affiliated with or employed by a stock exchange or member firm of an exchange or FINRA, or a municipal securities broker-dealer, you must attach a letter from your employer approving the establishment of your account when submitting this Application.
- If you are a director, 10% shareholder, or policy making officer of a publicly held company primarily listed on any Non-US stock exchange, you are not eligible for a Schwab Global Account.
- You must be a U.S. citizen or a U.S. resident alien and have a U.S. mailing address.

## 2. Existing Schwab One Account

Schwab One Account Number	Name(s) on Your Schwab One Account (as they appear on your statement)	
Telephone Number	Alternate Telephone Number	Social Security Number
<b>Are you affiliated with or employed by a stock exchange or member firm of an exchange or FINRA, or a municipal securities broker-dealer?</b> <input type="checkbox"/> No <input type="checkbox"/> Yes (if yes, you must attach a letter from your employer approving the establishment of your account when submitting this Application.)		
<b>Are you a director, 10% shareholder or policy-making officer of a publicly held company?</b> <input type="checkbox"/> No <input type="checkbox"/> Yes (If "yes," you are ineligible to open a Schwab Global Account. Contact Schwab to obtain the correct account opening form.)		

All account holder information on your Schwab Global Account must be identical to the account holder information on your associated Schwab One account. Schwab will use the information from the Schwab One account designated above to open your Schwab Global Account.

## 3. Required Information About Your Schwab Global Account

**Overall Investment Objective(s):** (Check all that apply.)

- Capital Preservation.** You are seeking to minimize the potential of losing your initial investment.
- Income.** You are seeking the continued receipt of current income while recognizing and accepting the risks of income-generating investments.
- Growth.** You are seeking to increase the value of your investments over time while accepting price fluctuations and volatility.
- Speculation.** You are willing to assume a higher risk of loss in exchange for potentially higher returns.

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

Charles Schwab & Co., Inc. and Charles Schwab Bank are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation. Brokerage products are offered by Charles Schwab & Co., Inc., Member SIPC. Deposit and lending products and services are offered by Charles Schwab Bank, Member FDIC and an Equal Housing Lender.



**3. Required Information About Your Schwab Global Account** (Continued)**Source of Funds:** (Check all that apply.)

In this section, we're collecting information about the categories ("sources") of assets that will be held in your Schwab Global Account. Please select all of the sources of the assets that will be deposited or held in your account, including the original sources of any assets that will be transferred into the account from another firm.

- |   |  |
|---|--|
| <input type="checkbox"/> Salary/Wages/Savings         | <input type="checkbox"/> Investment Capital Gains      |
| <input type="checkbox"/> Social Security Benefits     | <input type="checkbox"/> Gifts                         |
| <input type="checkbox"/> Sale of Property or Business | <input type="checkbox"/> Gambling/Lottery              |
| <input type="checkbox"/> Family/Relatives/Inheritance | <input type="checkbox"/> Other (please specify): _____ |

**Purpose of Your Account:** (Check all that apply.)

- General Investing
- Investing for Estate Planning
- Investing for Tax Planning (e.g., municipal bonds, etc.)
- Investing for College
- Investing for Retirement
- Investment of Pooled Assets (e.g., funds from individual investors that are aggregated for investing purposes)
- Other (please specify): \_\_\_\_\_

**Anticipated Activity**

On average, approximately how many times per month do you anticipate completing international wires from your Schwab Global Account? (Check only one.)

- Less than 5 times per month
- 5 to 10 times per month
- 11 to 20 times per month
- More than 20 times per month

**4. Fund Your Schwab Global Account**

All U.S. dollar checks received will be deposited into your Schwab One® account. The Schwab Global Account does not accept or distribute checks.

- Transfer \$\_\_\_\_\_ from your Schwab One account. Please note that if you have a Schwab Bank High Yield Investor Checking® account, you cannot transfer funds directly between it and your Schwab Global Account.
- Transfer eligible securities from your associated Schwab One account. Please contact a Schwab representative at 1-800-992-4685 for assistance.
- Transfer assets from another financial institution. Schwab Global Account and Schwab One Brokerage Account Transfer Form enclosed.
- Wire funds from another financial institution. Please contact a Schwab representative at 1-800-992-4685 for assistance.

**5. Disclosures**

Attached to this application are the following risk disclosure documents: Schwab Global Account—Acknowledgment of Obligations and Risks of Investing in Global Securities Traded on Foreign Exchanges, and Schwab Global Account—Acknowledgment of Risks of Trading Foreign Currency ("Risk Disclosures"). You agree to review these attached Risk Disclosures prior to placing any trades in your Schwab Global Account.

Important notes about cash and margin: There are no Cash Features associated with the Schwab Global Account. Free credit balances held in the Schwab Global Account will not be swept to a Schwab Sweep Money Fund™ or a bank and will not earn interest. In addition, features such as margin, option trading, checkwriting, and Visa® debit cards are not available on the Schwab Global Account.



**6. Authorization to Open Schwab Global Account™**

By signing this application, you acknowledge that you have received and read a copy of the attached Schwab Global Account Application Agreement, which contains a predispute arbitration provision. You also acknowledge that you have read and understood the Risk Disclosures included with this application. You acknowledge that your signature signifies and constitutes your agreement that the Schwab Global Account and your relationship with Schwab will be governed by the Application Agreement and by all incorporated agreements and disclosures, including, but not limited to, the Schwab Global Account Agreement and the *Charles Schwab Pricing Guide for Individual Investors*, each as amended from time to time (the "Agreement and Disclosures"). You understand there are fees associated with establishing, maintaining, engaging in transactions in, and transferring assets out of the Schwab Global Account. You understand that the Schwab Global Account is a cash-up-front account without the ability to trade on margin.

You also acknowledge that the securities products purchased or sold in a transaction with Schwab (i) are not insured by the Federal Deposit Insurance Corporation ("FDIC"); (ii) are not deposits or other obligations of Schwab and are not guaranteed by Schwab Bank; and (iii) are subject to investment risks, including possible loss of the principal invested.

For purposes of this Account Application and the attached Application Agreement, the terms "you," "your," and "account holder" refer to each person who signs this Account Application. The terms "we," "us," "our," and "Schwab" refer to Charles Schwab & Co., Inc. The term "Schwab Bank" refers to Charles Schwab Bank.

I certify, under penalty of perjury, that (1) the number shown on this Application is the correct Taxpayer Identification Number; (2) I am not subject to backup withholding due to a failure to report interest and dividend income; (3) I am a U.S. person (a U.S. citizen or U.S. resident alien); and (4) I am exempt from Foreign Account Tax Compliance Act (FATCA) reporting. I understand that if I have been notified by the IRS that I am subject to backup withholding as a result of dividend or interest underreporting and I have not received a notice from the IRS advising me that backup withholding is terminated, I must cross out item 2 above.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

The Agreement with Schwab includes a predispute arbitration clause. You acknowledge receipt of the predispute arbitration clause contained in Section 12, page 2, of the Schwab Global Account Application Agreement.

**Signature(s) and Date(s) Required**

**X**  
Account Holder Signature Print Name Date

**X**  
Additional Account Holder Signature Print Name Date

Please return pages 1–3 of this form to your nearest Schwab branch or mail to Charles Schwab & Co., Inc., Attn: IS Document Control, P.O. Box 982600, El Paso, TX 79998-2600 or P.O. Box 628291, Orlando, FL 32862-8291.

If you'd like to send your form via overnight delivery, send it to 1945 Northwestern Drive, El Paso, TX 79912 or 1958 Summit Park Drive, Suite 200, Orlando, FL 32810.



This Agreement relates to your Account and is part of the Account Agreement between each Account Holder and Charles Schwab & Co., Inc. ("Schwab"). Please read and retain for your files.

**Section 1: Scope of Agreement.** Your agreement with Schwab consists of the terms set forth in this Application Agreement and the terms set forth in the Schwab Global Account Agreement, which incorporates the *Charles Schwab Pricing Guide* and a number of other important disclosures. The Schwab Global Account Agreement is provided with this Application or at the opening of your Account. You agree to contact Schwab if you do not receive the Schwab Global Account Agreement. In addition, you may in the future receive from Schwab supplemental terms or disclosures that pertain to certain account types, service features and benefit packages. These supplemental terms and disclosures, this Application Agreement and the Schwab Global Account Agreement are collectively referred to as the "Agreement and Disclosures." You agree to read the Agreement and Disclosures carefully and retain copies for your records.

**Section 2: Acceptance of Agreement and Disclosures.** You agree that the Agreement and Disclosures govern all aspects of your relationship with Schwab, including all transactions between Schwab and you and all products and services now or in the future offered through Schwab. Schwab may rely on your use of Schwab's products and services as evidence of your continued acceptance of the Agreement and Disclosures.

**Section 3: Your Representations and Warranties.** You represent and warrant that: (a) you are of legal age in the state in which you live and you are authorized to enter into this Agreement; (b) you have supplied accurate information in your Account Application; (c) no one except the Account Holders listed on the Account Application (and, if community property is held, the Account Holders' spouses) has an interest in the Account; (d) no additional authorizations from third parties are required for you to open the Account and effect transactions therein; (e) except as you have otherwise indicated on your Account Application or in writing to us, (i) you are not an employee of or affiliated with any securities exchange or member firm of any exchange, the Financial Industry Regulatory Authority (FINRA) or any securities firm, bank, trust company, or insurance company; and (ii) you are not a director, 10% beneficial shareholder, policy-making officer, or otherwise an "affiliate" (as defined in Rule 144 under the Securities Act of 1933) of a publicly traded company; and (f) this Application Agreement, as amended from time to time, is a legal, valid and binding obligation, enforceable against you in accordance with its terms.

**Section 4: Account Handling.** Schwab will automatically hold all of your securities purchased, sales proceeds and dividends. Schwab will also release your name, address and securities positions to companies in which we hold securities for your Account upon request, unless you notify us otherwise in writing. If you maintain more than one account at Schwab, you authorize Schwab to transfer

assets between your accounts when no written authorization is requested.

**Section 5: Responsibility for Investment Decisions.** You agree that you and any agent under a Power of Attorney, or Investment Advisor (if you have one) are solely responsible for investment decisions in your Account, including whether to buy or sell a particular security. Unless required by law, or unless Schwab provides advice to you that is clearly identified as an individualized recommendation for you, you understand that Schwab has no obligation to determine whether a particular transaction, strategy, or purchase or sale of a security is suitable for you. Your obligation includes an affirmative duty to monitor your Account for profits and losses, to stay informed about your Account and your investments, and respond to changes as you deem appropriate. Unless Schwab otherwise agrees with you in writing, Schwab does not have any discretionary authority or obligation to review or make recommendations for the investment of securities or cash in your Account.

You acknowledge that Schwab does not provide tax or legal advice.

**Section 6: Payment of Indebtedness.** You agree to make payment of any indebtedness related to your Account, including, but not limited to, any such indebtedness that results from instructions provided to Schwab by you, by your agent or any attorney-in-fact under a Power of Attorney, or by any Investment Advisor authorized to make transactions in your Account. We may elect anytime, with or without notice, to make any debit balance or other obligation related to your Account immediately due and payable. We may report any past-due account to a consumer and/or securities credit reporting agency. We may also refer your Account to a collection agency.

**Section 7: Granting a Lien on Your Accounts.** As security for the repayment of all present or future indebtedness owed to us by each Account Holder, each Account Holder grants to us a first, perfected and prior lien on, a continuing security interest in, and right of set-off with respect to, all property that is, now or in the future, held, carried or maintained for any purpose in or through Schwab, and, to the extent of such Account Holder's interest in or through, any present or future account with us or our affiliates in which the Account Holder has an interest. In the event of a breach or default by you under this Agreement, Schwab will have the rights and remedies available to a secured creditor under all applicable laws in addition to the rights and remedies provided in this Agreement. If you owe money to Schwab as the result of activity in your Account and there are assets available in any non-retirement brokerage account that you hold at Schwab which could fully or partially satisfy the debt, you agree that, upon Schwab's written demand, you will execute all documents necessary to effect a transfer from your non-retirement brokerage account and agree to pay or cause such funds to be paid immediately to Schwab in order to satisfy your indebtedness to Schwab.

**Section 8: Liquidations.** Whenever it is necessary for our protection or to satisfy a debit or other obligation owed us, we may (but are not required to) sell, assign and deliver all or any part of the property securing your obligations, or close any or all transactions in your Schwab Global Account. We may choose which property to buy or sell, which transactions to close and the sequence and timing of liquidation. We may take such actions on whatever exchange or market and in whatever manner (including public auction or private sale) that we choose in the exercise of our business judgment. You agree not to hold us liable for the choice of which property to buy or sell or of which transactions to close or for timing or manner of liquidation or any tax consequences from such actions.

We may transfer property from any non-retirement brokerage account in which you have an interest to any other brokerage account in which you have an interest, regardless of whether there are other Account Holders on either account, if we determine that your obligations are not adequately secured or to satisfy an outstanding obligation. You agree to pay on demand any account deficiencies after liquidation, whether liquidation is complete or partial.

All of the above may be done without prior notice to you. No notice shall impose on Schwab any obligation to make such demand or provide such notice to you in the future. Any such notice or demand is hereby expressly waived, and no specific demand or notice shall invalidate this waiver.

**Section 9: Loan Consent.** You agree that property held in your Schwab Global Account, now or in the future, may be borrowed (either separately or together with the property of others) by us (acting as principal) or by others. You agree that Schwab may receive and retain certain benefits (including, but not limited to, interest on collateral posted for such loans) to which you will not be entitled. You acknowledge that, in certain circumstances, such borrowings could limit your ability to exercise voting rights or receive dividends, in whole or in part, with respect to the property lent. You understand that for property that is lent by Schwab, the dividends paid on such property will go to the borrower. No compensation or other reimbursements will be due to you in connection with such borrowings. However, if you are allocated a substitute payment in lieu of dividends, you understand that such a payment may not be entitled to the same tax treatment as may have been applied to the receipt of a dividend. You agree that Schwab is not required to compensate you for any differential tax treatment between dividends and payments in lieu of dividends. Schwab may allocate payments in lieu of dividends by any mechanism permitted by law, including by using a lottery allocation system.

**Section 10: Verification.** You authorize Schwab to inquire from any source, including a consumer reporting agency, as to your identity (as required by federal law), creditworthiness and ongoing

eligibility for the Account of the Account Holders, any other person referred to on this Application, or any person who Schwab is later notified is associated with or has an interest in the Account (as well as such persons' spouses if they live in a community property jurisdiction) at account opening, at any time throughout the life of the Account, and thereafter for debt collection or investigative purposes.

**Section 11: Required Arbitration Disclosures.** Regulatory authorities require that any brokerage agreement containing a predispute arbitration agreement must disclose that this agreement contains a predispute arbitration clause. This Agreement contains a predispute arbitration clause. By signing an arbitration agreement, the parties agree as follows:

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

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

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

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

**Section 12: Arbitration Agreement.** Any controversy or claim arising out of or relating to (i) this Agreement, any other agreement with Schwab, an instruction or authorization provided to Schwab or the breach of any such agreements, instructions, or authorizations; (ii) the Account, any other Schwab account or Services; (iii) transactions in the Account or any other Schwab account; (iv) or in any way arising from the relationship with Schwab, its parent,

subsidiaries, affiliates, officers, directors, employees, agents or service providers ("Related Third Parties"), including any controversy over the arbitrability of a dispute, will be settled by arbitration.

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

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

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

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

For FINRA arbitrations, FINRA will appoint a single public arbitrator in customer cases decided by one arbitrator. In customer cases decided by three arbitrators, investors have the option of choosing an arbitration panel with two public arbitrators and one non-public arbitrator (Majority-Public Panel Rule) or a panel of all public arbitrators (Optional All-Public Panel Rule). If the customer declines to elect a panel selection method in writing by the applicable deadline, the Majority-Public Panel Rule for selecting arbitrators will apply.

All notices from one party to the other involving arbitration shall be considered to have been fully given when so served, mailed by first-class, certified or registered mail, or otherwise given by other commercially accepted medium of written notification.

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

- (1) The rules of the organization administering the arbitration specifically provide for the formal designation of the place at which the arbitration is to be held.
- (2) Entering into this Agreement constitutes consent to submit to the personal jurisdiction of the courts of the state of California, U.S.A., to interpret or enforce any or all of these arbitration provisions. Judgment on any arbitration award may be entered in any court having jurisdiction, or application may be made to such court for judicial acceptance of the award and an order of enforcement, as the case may be.
- (3) The exclusive language to be used by the parties and the arbitrators in the arbitration proceedings shall be English. Any party wishing an interpreter shall make all arrangements directly with the interpreter and shall assume all costs of the service.
- (4) If a party is a foreign government or state, state-owned or state-operated enterprise or other instrumentality of a foreign government or state, such party waives all rights of sovereign immunity and neither the Federal Act of State doctrine nor the doctrine of sovereign immunity shall apply insofar as any enforcement in courts located in the U.S.A. is concerned.

**Section 13: Electronic Copies.** The electronically stored copy of your (or your agent's) signature, any written instructions or authorizations, the Account Application and the Agreement and Disclosures are considered to be the true, complete, valid, authentic and enforceable record, admissible in judicial, administrative or arbitration proceedings to the same extent as if the documents and records were originally generated and maintained in printed form. You agree to not contest the admissibility or enforceability of Schwab's electronically stored copy of such documents in any proceeding between you and Schwab.

**Section 14: Float.** You agree that Schwab may retain as compensation for services your Account's proportionate share of any interest earned on aggregate cash balances held in Schwab's bank account with respect to (1) assets awaiting investment or (2) assets pending distribution from your Account. Such interest retained by Schwab shall generally be at money market rates. Schwab's receipt of such compensation is further described in the Agreements and Disclosures.

**Section 15: Unclaimed Property.** If no activity occurs in the Account within the time period specified by applicable state law, the Account may be transferred to the appropriate state.

**Section 16: Information About SIPC.** To obtain information about the Securities Investor Protection Corporation (SIPC), including an explanatory SIPC brochure, please contact SIPC at [www.sipc.org](http://www.sipc.org) or 1-202-371-8300.

**Section 17: Impartial Lottery for Securities Subject to Partial Call or Partial Redemption.** If Schwab holds securities for you in street name, in Schwab's name, or in bearer form that are subject to partial call or partial redemption, then in the case of a partial call or partial redemption Schwab will use an impartial lottery system to select the securities to be called or

redeemed from among accounts holding those securities. For a description of Schwab's lottery system, please visit [www.schwab.com/PartialCalls](http://www.schwab.com/PartialCalls). If you would like a printed description of Schwab's lottery system mailed to you, please contact a Schwab representative at 1-800-435-4000.

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# Schwab Global Account™—Acknowledgment of Obligations and Risks of Investing in Global Securities Traded on Foreign Exchanges

Investing in securities traded on foreign exchanges entails a higher level of risk than investing in domestic securities or on U.S. exchanges. The following information does not disclose all of the risks associated with trading global securities, but it does cover some things you should consider prior to investing in, or authorizing someone else to invest in, global securities in your Schwab Global Account. By applying for a Schwab Global Account and prior to entering any trades in your Schwab Global Account, you represent that you understand these risks and potential tax consequences and have determined that this form of investing is suitable for you, considering your financial situation and investment objectives. You also acknowledge and agree that:

- You are aware of and understand the obligations and risks set forth below;
- You, and not Schwab, are solely responsible for complying with, and will comply with, all applicable laws and regulations, including, but not limited to, those set herein;
- You will obtain your own independent legal advice with respect to any obligations or risks set forth below before acquiring shares in any foreign listed company through your Schwab Global Account;
- You agree to deliver, at Schwab's request and in Schwab's sole discretion, any information about your activities in your Schwab Global Account or about foreign listed securities held by you, your immediate family members or entities controlled by you, whether held at Schwab or elsewhere, as required to comply with applicable law or regulation or with a request by a foreign regulatory authority.
- Schwab does not provide legal, tax or discretionary investment advice with respect to your Schwab Global Account or any assets held in your Schwab Global Account;
- You will indemnify and hold Schwab harmless from any violation or breach of any foreign law or regulation as a result of or in connection with your Schwab Global Account.

## Foreign Disclosure Requirements

Foreign stock exchanges and regulatory authorities require that you report, and in some cases seek pre-approval for, acquiring owner-

ship in foreign listed securities above certain thresholds or in certain industries. It is solely your responsibility to ensure that you will, at all times, comply with all applicable laws, obligations and restrictions in each of the jurisdictions in which you purchase and sell securities. Prior to placing any trades in your Schwab Global Account, you agree that you are aware of and understand the legal implications of purchasing or selling securities in any foreign country and the potential disclosure requirements therein, and that you have obtained your own legal and tax advice.

## Political, Regulatory, and Social Risks

Foreign governments can be less stable than the government of the United States; this can pose a risk to your investment. Foreign governments can also be more restrictive when it comes to a company's business operations and ability to earn profits. A country's financial policies may negatively impact the prospect for growth. A country with significant outstanding debt may raise taxes and reduce spending, which could affect corporate profits. Social events or civil unrest can also pose the risk that prices of securities might fall. As a result, it is important to research the country, and the company, as you make investment decisions. Certain foreign exchanges do not maintain the same level of regulatory oversight that U.S. markets are subject to. Settlement periods and standards may vary by exchange.

## Trading Restrictions and Market Operations

Foreign stock markets often operate differently from U.S. markets. For example, there may be different periods for clearance and settlement of securities transactions, and investments in foreign securities may be subject to trading restrictions and fees not usually encountered in the United States. Governments, foreign stock exchanges, markets and/or individual securities may impose specific restrictions that prohibit or limit trading by individuals or entities. There may be no centralized trading or settlement. There may be variances in quoting conventions. Transaction costs may vary or may be unclear. Certain markets may impose restrictions regarding repatriation of monies or limit certain investment activities. You understand that

Schwab is not responsible for notifying you of each country's specific requirements and that Schwab may limit, modify or reject your activity based upon such requirements. You understand that you should conduct appropriate due diligence to learn any specific limitations and obligations applicable to you in any country in which you intend to trade.

## Quality of Information

The ability to find timely and accurate information may be more difficult in international investing. The differences in accounting standards can make comparisons to U.S. companies challenging. For example, the International Accounting Standards used by most foreign companies can differ substantially from the Generally Accepted Accounting Principles (GAAP) that govern financial reporting by U.S. companies.

## Currency Fluctuation

There is a possibility that the currency of your investment will fall relative to the U.S. dollar; this will lower the return once it is translated back into dollars.

## Illiquidity

Some international markets can be less liquid, and hence more volatile. This can result in rapid price swings and the potential that securities will not be able to be purchased or sold.

## Tax Reporting and Other Potential Tax-Related Consequences

Investing in global securities traded on foreign exchanges may result in tax liability or tax reporting obligations, both to U.S. and foreign taxing authorities, that may not occur when investing in U.S. markets. You may be eligible for reduced tax rates in certain foreign jurisdictions, but it is solely your responsibility, and not Schwab's, to comply with all requirements and prerequisites for obtaining such reduced rates and seeking refunds of amounts already paid or withheld. Operational limitations in your Schwab Global Account may prevent you from obtaining the benefit of such reduced tax rates in some jurisdictions. Schwab does not provide tax advice. Please consult with your tax advisor prior to placing trades in your Schwab Global Account.

# Schwab Global Account™—Acknowledgment of Risks of Trading Foreign Currency

Investors who are considering participating in the foreign currency exchange (or “forex”) market need to understand fully the market and its unique characteristics. **Forex trading can be very risky and is not appropriate for all investors.**

There are inherent risks associated with forex trading. The following information is not intended to disclose all of the risks associated with forex trading; however, it is intended to address potential risks that should be considered prior to purchasing, or authorizing someone else to purchase, a foreign currency in your Schwab Global Account. You should carefully consider your financial situation and whether such trading is suitable for you in light of your financial condition, risk tolerance and understanding of foreign markets. By applying for a Schwab Global Account and prior to entering any trades in your Schwab Global Account, you represent that you understand these risks and potential tax consequences and have determined that this form of investing is suitable for you, considering your financial situation and investment objectives.

## The Risk of Loss in Foreign Currency Trading Can Be Substantial

Individual investors who are considering participating in the foreign currency exchange (or “forex”) market should fully understand the market and its unique characteristics. Forex trading can be very risky and is not appropriate for all investors. The only funds that you should put at risk when speculating in foreign currency are those funds that you can afford to lose entirely, and you should always be aware that certain strategies may result in your losing even more money than the amount of your initial investment.

## Quoting Conventions Are Not Uniform

While many currencies are typically quoted against the U.S. dollar (that is, one dollar purchases a specified amount of foreign currency), there are no required uniform quoting conventions in the forex market. Some currencies may be quoted in the reverse, meaning, for example, that one British pound purchases a specified amount of U.S. dollars (GBP/USD). Therefore, you should pay special attention to the currency’s quoting convention and what an increase or decrease in a quote may mean for your trades.

## Pay Attention to Transaction Costs

Schwab will add (or subtract) a commission equivalent or markup to the purchase price (or sales proceeds) when you purchase or sell a foreign currency. A breakdown of the actual fees included in any foreign currency transaction is available upon request. For more information about transaction costs, you can contact a Global Investing Specialist at 1-800-992-4685, visit Schwab.com, or consult the pricing guide that accompanied your Schwab Global Account welcome package. **Transaction costs can turn profitable trades into unprofitable trades.** For certain currencies and currency pairs, transaction costs can be relatively large. If you are frequently trading in and out of a currency, these costs can, in some circumstances, turn what might have been profitable trades into losing transactions.

## Volatility

Currency prices may be highly volatile. Price movements for currencies are influenced by, among other things: changing supply and demand; trade, fiscal, monetary, and exchange control policies of governments; U.S. and foreign political and economic events; changes in national and international interest rates and inflation; currency devaluation; and sentiment of the marketplace. None of these factors can be

controlled by you or any investment advisor, and no assurance can be given that you will not incur losses from such events.

## Illiquidity

**Under certain market conditions, you may find it difficult or impossible to liquidate your currency position.** For example, this can occur when a currency is deregulated or fixed trading bands are widened. Certain currencies may not be available to transact through Schwab. Exchange practices, including currency controls, may change from time to time without notice to you. As a result, it is important that you understand the practices in the foreign markets in which you trade.

## Trading Systems May Not Operate as Intended

Though it is possible to buy and hold a currency if you believe in its long-term appreciation, many trading strategies capitalize on small, rapid moves in the currency markets. If you intend to implement one of the many trading strategies that capitalize on small, rapid moves in the currency market, please note that our systems may not be able to support extreme speeds.

## Exchange Rate Risks

To the extent that you hold all or a portion of your cash assets in currencies other than the U.S. dollar, **you may suffer currency losses from unfavorable exchange rate movements that reduce the value of your cash assets as measured against the dollar.** These potential losses could leave you without sufficient cash to pay planned expenses or other liabilities.

## Negative Interest Rate Environment

To the extent that you hold a foreign currency in your Schwab Global Account that is paying a negative interest rate, Schwab may be charged interest to hold that currency. If that occurs, Schwab reserves the right charge your Account, with no additional markup, the amount of interest charged to Schwab.