

# Cash Features Program General Terms and Conditions

The automatic investment of your free credit balance, including the frequency and the amount of each sweep, is governed by the terms and conditions set forth in the Cash Features Program Disclosure Statement and in the Account Agreement applicable to your account. The material in this document is intended for informational purposes only. If there is any conflict between the descriptions in this document and the terms of the Cash Features Program Disclosure Statement, the Cash Features Program Disclosure Statement will control.

<b>How the Cash Features Program Works</b>	<p>Schwab's Cash Features Program is the service (described in the Cash Features Program Disclosure Statement) that we provide to automatically invest, or "sweep," the free credit balance in your account into a liquid investment to earn interest. The program permits you to earn income while you decide how those funds should be invested longer term.</p>
<b>Available Cash Features</b>	<p>The available cash features currently consist of:</p> <ul style="list-style-type: none"> <li>▪ The free credit balance in your eligible account (the "Schwab One® Interest feature"), on which Schwab pays interest;</li> <li>▪ Interest-bearing deposit accounts at one or more Program Banks (the "Bank Sweep feature" for most accounts and the "Bank Sweep for Benefit Plans feature" for retirement plan accounts); and</li> <li>▪ For some accounts, an affiliated money market mutual fund (the "Money Fund Sweep feature").</li> </ul>
<b>Eligibility</b>	<p>Eligibility for each cash feature is based on the registered ownership and the type of account. Not all account registrations and account types will be eligible for all cash features. Some account registrations and account types will be eligible for only one cash feature. Please see your Account Application and the Cash Features Program Disclosure Statement for more complete eligibility details.</p>
<b>Duty to Monitor Eligibility for Cash Features</b>	<p>It is your responsibility to monitor your eligibility for the cash features and determine the best cash feature available to you. Schwab is not responsible for contacting you if you are, or later become, eligible for other higher-yielding cash features.</p>
<b>Interest Rates and Yields</b>	<p>The interest rates and yields for the different cash features vary over time. There is no guarantee that the interest rate and yield on any particular cash feature will be or will remain higher than the interest rate and yield on any other cash features over any period. Current interest rates and yields can be obtained by contacting your independent investment advisor or your Financial Consultant, or by calling us at 1-800-435-4000. If you already have an account, you can visit our website at <a href="http://www.schwab.com/sweep">www.schwab.com/sweep</a>. If your account is an Advisor Services account, please contact your advisor, visit <a href="http://www.schwab.com/SA_sweep">www.schwab.com/SA_sweep</a>, or call Schwab Alliance at 1-800-515-2157.</p> <ul style="list-style-type: none"> <li>▪ The interest rate on the Schwab One Interest feature is set by Schwab. We have the option to pay as low a rate as possible consistent with our view of prevailing market and business conditions. With certain exceptions, the rate may be tiered based upon the overall free credit balance within your account.</li> <li>▪ The interest rates paid on the Bank Sweep feature are set by the Affiliated Program Banks, and may be set as low as possible consistent with prevailing market and business conditions. Retirement accounts will be paid a reasonable rate consistent with applicable legal and regulatory requirements. With certain exceptions, the rate may be tiered based upon your account type and the combined amount of your account's Bank Sweep deposits at the Program Bank(s).</li> </ul>

Investment and Insurance Products: Not a Deposit ▪ Not FDIC Insured ▪ Not Insured by any Federal Government Agency ▪ No Bank Guarantee ▪ May Lose Value



<p><b>Interest Rates and Yields</b> (Continued)</p>	<ul style="list-style-type: none"> <li>▪ The interest rates paid on the Bank Sweep for Benefit Plans feature will be a reasonable rate consistent with applicable legal and regulatory requirements. This may be lower than some competitors' rates. Interest rates do not vary by tiers and do not vary based on your cash balances.</li> <li>▪ The money market mutual fund offered through the Money Fund Sweep feature seeks to achieve the highest yield (less fees and expenses) consistent with prudence and the fund's investment objectives.</li> </ul> <p>Cash features are not intended to be long-term investments, and yields on any of our cash features may be lower than those of similar investments or deposit accounts offered outside the Cash Features Program. If you desire to maintain cash balances for other than a short-term period and/or are seeking the highest yields currently available in the market, please contact your Schwab representative or visit <a href="http://www.schwab.com/cash-investments">www.schwab.com/cash-investments</a> for investment options that may be available outside of the Cash Features Program to help maximize your return potential consistent with your investment objectives and risk tolerance. If your account is an Advisor Services account, please contact your advisor, visit <a href="http://www.schwab.com/SA_cash">www.schwab.com/SA_cash</a>, or call Schwab Alliance at 1-800-515-2157.</p>
<p><b>Benefits to Schwab</b></p>	<p>We charge fees and receive certain benefits under the different cash features. We share a portion of these fees and benefits with our investment professionals. Because of these fees and benefits, we have a financial incentive to select the particular cash features included in the Cash Features Program.</p>
<p><b>Differing Risks and Account Protection</b></p>	<p>The different cash features are subject to different risks and account protection:</p> <ul style="list-style-type: none"> <li>▪ The Schwab One® Interest feature is not subject to market risk and value loss but is subject to the risk of Schwab's failure. In the unlikely event that Schwab fails, cash is eligible for SIPC coverage up to a limit of \$250,000 (including principal and interest) per client in each insurable capacity (e.g., individual or joint). Free credit balances held at Schwab are not insured or guaranteed by the FDIC.</li> <li>▪ The Bank Sweep and Bank Sweep for Benefit Plans features are not subject to market risk and value loss but are subject to the risk of the failure of one or more of the Program Banks. Please review the Cash Features Program Disclosure Statement for a list of the Program Banks (<a href="http://www.schwab.com/cashfeaturesdisclosure">www.schwab.com/cashfeaturesdisclosure</a>). Certain conditions must be satisfied for FDIC insurance coverage to apply. In the unlikely event that one or more of the Program Banks fails, deposits at each bank are eligible for FDIC insurance protection up to a limit of \$250,000 (including principal and interest) per depositor in each insurable capacity (e.g., individual, joint, and plan participant). This limit includes any other deposits you may have at that bank outside of the Bank Sweep and Bank Sweep for Benefit Plans features. <b>You are responsible for monitoring your bank balances in the Bank Sweep and Bank Sweep for Benefit Plans features and the balances in any of your other bank accounts at each Program Bank to determine if these, in total, exceed FDIC insurance limits. Monies held in both features are not covered by SIPC.</b></li> <li>▪ The Money Fund Sweep feature invests in high-quality, short-term securities and seeks to maintain a stable value, but is subject to market risks and potential value loss. It is not a bank account and is not subject to FDIC insurance protection. It is instead covered by SIPC, which protects against the custodial risk (and not a decline in market value) when a brokerage firm fails by replacing missing securities and cash up to a limit of \$500,000, of which \$250,000 may be cash. Shares held through the Money Fund Sweep feature are not considered cash, but are treated as securities for SIPC coverage.</li> </ul>

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