

Schwab 529 Education Savings Plan Account Application



- Use this Application to open a Schwab 529 Education Savings Plan Account. The Schwab 529 Plan is only available to U.S. citizens and U.S. resident aliens.
- This Application should be accompanied by the Schwab 529 Guide and Participation Agreement (Guide), which should be read carefully before investing. The Guide and additional forms can be downloaded at schwab.com/forms, or you can call us to order any form – or request assistance in completing this form – at 1-888-903-3863.
- Type in your information and print out the completed Application, or print clearly, preferably in capital letters and black ink. Mail the Application to the address below. Do not staple.
- We respect your privacy. As required by law, Schwab and/or American Century Investments® will use the information provided to verify your identity as well as to open and service your Account. We will also use the information to communicate with you about your Schwab 529 Plan Account, and, if you are a Schwab client, you may receive communications about other products and services available through Schwab. Read about Schwab's privacy policy at schwab.com/privacy and American Century Investments' privacy policy at americancentury.com.
- **If you are not a Kansas taxpayer, consider before investing whether your or the Designated Beneficiary's home state offers a 529 plan that provides its taxpayers with state tax benefits and other benefits not available through this plan.**

Return the completed Application and any other required documents to:

Schwab 529 Plan
P.O. Box 2906
Shawnee Mission, KS 66201-2906

Or fax to: **1-617-559-8913**

For overnight delivery or registered mail, send to:

Schwab 529 Plan
920 Main St, Suite 900
Kansas City, MO 64105

1. Account type

Select one of the Account types below.

- Individual Account.** An Account established by one adult who owns and controls assets intended to be used for the Qualified Education Expenses of a Designated Beneficiary.
- Joint Tenant Account.** An Account established by more than one adult who owns and controls assets intended to be used for the Qualified Education Expenses of a Designated Beneficiary. Joint Accounts will be established as joint tenants with rights of survivorship. The first Account Owner's name and Social Security number will be used for IRS reporting purposes.
- Trust Account.** An Account established by a Trust. *(Please see **Section 2c** for instructions on documentation.)*
- UGMA/UTMA Account.** An Account funded with assets held in a UGMA/UTMA custodial account for the benefit of the Designated Beneficiary indicated in **Section 3** of this **Account Application**. The custodian will be treated as the owner of the Account and has the duty to transact on behalf of the minor until the custodianship terminates under the terms of the Act under which it was established. The Designated Beneficiary, who is the minor, cannot be changed.
- Indicate the state *(please abbreviate)* in which the UGMA/UTMA custodial account was opened.
- Minor-Owned Account.** An Account established for the benefit of a minor, who is both the Account Owner and Designated Beneficiary and cannot be changed. An adult Responsible Individual establishes and controls the Account on behalf of the minor until the minor reaches the age of majority in his or her state of residence, at which time the Responsible Individual will be automatically removed from the account and the minor will assume control of the assets. This type of Account is typically established using proceeds from a Coverdell Education Savings Account (ESA) previously set up for the minor. *(To establish a minor as the Account Owner, enter the minor's information in **Section 2a** and then enter a Responsible Individual's information in **Section 4**.)*



2. Account Owner information *(The Account Owner is the person, persons, or Trust who owns the Account.)*

- If establishing a Joint Tenant Account, complete **Section 2a** and **Section 2b**. If the Account Owner is a Trust, only complete **Section 2c**. If establishing a UGMA/UTMA Account, the custodian will complete **Section 2a**. Statements will be sent to the Primary Account Owner's address unless the Account Owner is a minor. Statements will then be sent to the Responsible Individual's or Custodian's address.

A. Primary Account Owner or Custodian.

Primary Account Owner/Custodian Legal Name (first, middle initial, last)

Primary Account Owner/Custodian Legal Name (first, middle initial, last)

Social Security Number

Social Security Number

Birth Date (mm/dd/yyyy)

Birth Date (mm/dd/yyyy)

Citizenship: U.S. Citizen U.S. Resident Alien

Citizenship (If other than U.S. citizen, please indicate country of citizenship.)

Citizenship (If other than U.S. citizen, please indicate country of citizenship.)

Daytime Telephone Number

Daytime Telephone Number

Cellular Telephone Number

Cellular Telephone Number

Email Address

Email Address

Home/Legal Address (No P.O. or private mailboxes permitted.)

Home/Legal Address (No P.O. or private mailboxes permitted.)

City State Zip Code

City

State

Zip Code

Mailing Address if different from above (P.O. boxes may be used.)

Mailing Address if different from above (P.O. boxes may be used.)

City State Zip Code

City

State

Zip Code

Employer information.

Check one. Employed Self-employed Retired Student Homemaker Not employed

Employer

Employer

Occupation/Position

Occupation/Position

Business Street Address

Business Street Address

City State Zip Code

City

State

Zip Code

Provide the following information required by securities industry regulations.

Note: If your Account is managed by an Independent Investment Advisor and enrolled in Schwab Institutional®, do **not** complete this section.

Investment Experience:

None Limited Good Extensive

Annual Income:

Under \$15,000 \$15,000–\$24,999 \$25,000–\$49,999 \$50,000–\$99,999 \$100,000 or more

Liquid Net Worth:

Under \$25,000 \$25,000–\$49,999 \$50,000–\$99,999 \$100,000–\$249,999

\$250,000 or more, specify: _____

Account Owner information (Continued)

B. Joint Account Owner information. (We will use the Primary Account Owner name and Social Security number listed in Section 2a for IRS reporting purposes.)

Joint Account Owner Legal Name (first, middle initial, last)

Social Security Number

Birth Date (mm/dd/yyyy)

Citizenship: U.S. Citizen U.S. Resident Alien

Citizenship (If other than U.S. citizen, please indicate country of citizenship.)

Daytime Telephone Number

Cellular Telephone Number

Check if the Joint Account Owner's address is the same as the Primary Account Owner's address, otherwise complete the following:

Home/Legal Address (No P.O. or private mailboxes permitted.)

City

State

Zip Code

Employer information.

Check one. Employed Self-employed Retired Student Homemaker Not employed

Employer

Occupation/Position

Business Street Address

City

State

Zip Code

Provide the following information required by securities industry regulations.

Note: If your Account is managed by an Independent Investment Advisor and enrolled in Schwab Institutional®, do not complete this section.

Investment Experience:

None Limited Good Extensive

Annual Income:

Under \$15,000 \$15,000-\$24,999 \$25,000-\$49,999 \$50,000-\$99,999 \$100,000 or more

Liquid Net Worth:

Under \$25,000 \$25,000-\$49,999 \$50,000-\$99,999 \$100,000-\$249,999

\$250,000 or more, specify:

Account Owner information (Continued)

C. Trust Account Owner

Trust Name

Taxpayer Identification Number

Trust Date (mm/dd/yyyy)

Telephone Number (In case we have a question about your Account.)

Permanent Street Address (This address will be used as the Account's address of record for all Account mailings.)

City State Zip Code

Trust Annual Income:
Trust Liquid Net Worth:
Under \$15,000 \$15,000-\$24,999 \$25,000-\$49,999 \$50,000-\$99,999 \$100,000 or more
Under \$25,000 \$25,000-\$49,999 \$50,000-\$99,999 \$100,000-\$249,999
\$250,000 or more, specify:

List Trustees. List the names of the Trustees authorized by governing documents to direct transactions with respect to this Account. You must attach a copy of the appropriate documentation that supports the identity of the Trustees. We may also request additional information from you.*

Trust: Attach copies of pages within the Trust document that include 1) Title of Trust, 2) Date of Trust agreement, 3) Full names of Trustees, and 4) All Trustee signatures. Do not send any portions of the Trust document beyond those stated here. All other portions submitted will not be acknowledged, reviewed, or monitored for compliance.

Trustee Name (first, middle initial, last)

Social Security Number Birth Date (mm/dd/yyyy)

Employer information.
Check one. Employed Self-employed Retired Student Homemaker Not employed
Employer Occupation/Position
Business Street Address
City State Zip Code
Investment Experience:
None Limited Good Extensive

Account Owner information (Continued)

Trustee Name (first, middle initial, last)

Trustee Name (first, middle initial, last)

Social Security Number

Social Security Number

Birth Date (mm/dd/yyyy)

Birth Date (mm/dd/yyyy)

Employer information.

Check one. [] Employed [] Self-employed [] Retired [] Student [] Homemaker [] Not employed

Employer

Employer

Occupation/Position

Occupation/Position

Business Street Address

Business Street Address

City

City

State

State

Zip Code

Zip Code

Investment Experience:

[] None [] Limited [] Good [] Extensive

3. Designated Beneficiary information (The person whose qualified education expenses will be paid from the Account.)

Designated Beneficiary Legal Name (first, middle initial, last)

Designated Beneficiary Legal Name (first, middle initial, last)

Social Security Number

Social Security Number

Birth Date (mm/dd/yyyy)

Birth Date (mm/dd/yyyy)

Citizenship: [] U.S. Citizen [] U.S. Resident Alien

Citizenship:

Citizenship (If other than U.S. citizen, please indicate country of citizenship.)

Citizenship (If other than U.S. citizen, please indicate country of citizenship.)

Daytime Telephone Number

Daytime Telephone Number

Cellular Telephone Number

Cellular Telephone Number

[] Check if the Designated Beneficiary's address is the same as the Account Owner's address, otherwise complete the following:

Home/Legal Address (No P.O. or private mailboxes permitted.)

Home/Legal Address (No P.O. or private mailboxes permitted.)

City

City

State

State

Zip Code

Zip Code

Relationship to Account Owner: [] Spouse [] Child [] Grandchild [] Relative [] Other

Relationship to Account Owner:

4. Responsible Individual information *(Only complete this section if the Account Owner in Section 2a is a minor.)*

- A Responsible Individual is required when the Account Owner is a minor. The Responsible Individual is the person who can transact on the Account until the minor reaches the age of majority in his or her state of residence. The Responsible Individual's address will be used as the Account's address of record for all Account mailings.

Responsible Individual Legal Name (first, middle initial, last)

Responsible Individual Legal Name (first, middle initial, last)

Social Security Number

Social Security Number

Birth Date (mm/dd/yyyy)

Birth Date (mm/dd/yyyy)

Citizenship: U.S. Citizen U.S. Resident Alien

Citizenship (If other than U.S. citizen, please indicate country of citizenship.)

Citizenship (If other than U.S. citizen, please indicate country of citizenship.)

Daytime Telephone Number

Daytime Telephone Number

Cellular Telephone Number

Cellular Telephone Number

Home/Legal Address (No P.O. or private mailboxes permitted.)

Home/Legal Address (No P.O. or private mailboxes permitted.)

City

City

State

State

Zip Code

Zip Code

Mailing Address (P.O. boxes may be used.)

Mailing Address (P.O. boxes may be used.)

City

City

State

State

Zip Code

Zip Code

Relationship to Account Owner: Parent Relative Other

Employer information.

Check one. Employed Self-employed Retired Student Homemaker Not employed

Employer

Employer

Occupation/Position

Occupation/Position

Business Street Address

Business Street Address

City

City

State

State

Zip Code

Zip Code

Investment Experience: None Limited Good Extensive

5. Successor Account Owner/Responsible Individual information *(Optional, but recommended.)*

- Disregard this section if the Account Owner is a Trust.
- Complete this section to name a Successor Account Owner in the event of the death of all the Account Owners or Successor Responsible Individual in the event of the death of the Responsible Individual. The Successor Account Owner must be over the age of 18.
- If you choose to complete **Section 5**, you are required to provide full name, Social Security number, and date of birth.
- You may revoke or change the Successor Account Owner/Responsible Individual at any time. See the Guide for more information.

Successor Account Owner/Responsible Individual Legal Name (first, middle initial, last)

Successor Account Owner/Responsible Individual Legal Name (first, middle initial, last)

Social Security Number

Social Security Number

Birth Date (mm/dd/yyyy)

Birth Date (mm/dd/yyyy)

Citizenship: U.S. Citizen U.S. Resident Alien

Citizenship (If other than U.S. citizen, please indicate country of citizenship.)

Citizenship (If other than U.S. citizen, please indicate country of citizenship.)

Daytime Telephone Number

Daytime Telephone Number

Cellular Telephone Number

Cellular Telephone Number

Home/Legal Address (No P.O. or private mailboxes permitted.)

Home/Legal Address (No P.O. or private mailboxes permitted.)

City

City

State

State

Zip Code

Zip Code

Relationship to Account Owner: Parent Relative Other

Employer information.

Check one. Employed Self-employed Retired Student Homemaker Not employed

Employer

Employer

Occupation/Position

Occupation/Position

Business Street Address

Business Street Address

City

City

State

State

Zip Code

Zip Code

6. Financial Professional authorization (Optional)

- **Section 6a** should be completed by the Financial Professional.
- Complete **Section 6b** to provide the Financial Professional listed in **Section 6a** with limited authority to act on your Account(s).
- You may only designate one level of authorization.

A. Financial Professional information.

[Grid for Firm Name]

Firm Name

[Grid for Financial Professional Name]

Financial Professional Name (first, middle initial, last)

[Grid for Master Account Number]

Master Account Number

[Grid for Telephone Number]

Telephone Number

[Grid for Firm Address]

Firm Address

[Grid for City]

City

[Grid for State]

State

[Grid for Zip Code]

Zip Code

B. Authorization level.

I (We), the Account Owner(s), listed in Section 2, appoint the Financial Professional above. (Please initial the appropriate level of access that applies to the Account.)

- Level 1 – Account Inquiry Access.** Authorized to obtain information about my Account and receive duplicate Account statements.
- Level 2 – Account Inquiry Access, Contributions, and Exchanges.** Authorized to obtain information about my Account; receive duplicate Account statements; add or update my bank information; make a contribution and change Investment Options within my Account.*
- Level 3 – Account Inquiry Access, Contributions, Exchanges, and Withdrawals.** Authorized to obtain information about my Account; receive duplicate Account statements; add or update my bank information; make a contribution; change Investment Options and withdraw money from my account.*

* By selecting an authorization level, you hereby authorize the Financial Professional or a representative of the above named firm to act on your behalf when transacting business. The Financial Professional or Investment Advisor Firm listed above shall have no authority to take any other action, including, but not limited to:

- Changing the address of record on my account(s),
- Establishing or re-establishing services such as telephone or online capabilities on my account(s),
- Changing the Designated Beneficiary,
- Adding or changing the Successor Account Owner/Responsible Individual,
- Signing or e-signing an **Account Application** or otherwise opening a new registration on my behalf, or
- Transferring assets to a new registration.

I acknowledge and accept my authority to access and perform transactions on the Schwab 529 Account on behalf of the Account Owner(s) listed in Section 2 of this Account Application in accordance with the authorization level selected above.

SIGNATURE

Signature of Financial Professional

[Grid for Date]

Date (mm/dd/yyyy)

7. Overall investment objective

Capital Preservation
 Income
 Growth
 Speculation

8. Select your Schwab 529 Education Savings Plan portfolio

- Before choosing your investment option, see the Guide.
- Your initial and subsequent contributions will be invested in the portfolio(s) you select.
- Within both the Age-Based Tracks and the Static Portfolios, you have the option of selecting actively managed and/or index funds that best suits your investing style and goals.

Age-Based Tracks:

Your contribution will be invested in the appropriate portfolio based on the age of the Designated Beneficiary and the track selected below. As your Designated Beneficiary gets older, your assets will move to a progressively more conservative portfolio.

Actively Managed

Aggressive %
 Moderately Aggressive %
 Moderate %
 Moderately Conservative %

Index

Aggressive (Index) %
 Moderately Aggressive (Index) %
 Moderate (Index) %
 Moderately Conservative (Index) %

Static Portfolios

The assets will remain in the portfolio(s) you select below until you choose a new Investment Option.

Actively Managed

Aggressive %
 Moderately Aggressive %
 Moderate %
 Moderately Conservative %
 Conservative %
 Short-Term %

Index

Aggressive (Index) %
 Moderately Aggressive (Index) %
 Moderate (Index) %
 Moderately Conservative (Index) %
 Conservative (Index) %
 Short-Term (Index) %

Money Market %

%

9. Fund your Schwab 529 Education Savings Plan Account

- You will need to contribute a lump sum of at least \$25 or establish a systematic purchase of \$25 to open an account.

Source of funds (Check all that apply.)

A. **Personal check.**

Important: All checks must be payable to **Schwab 529 Plan.**

\$

Amount

- B. **Bank Information.** This is required to establish bank services for an EFT and/or recurring contributions (see below). If you select either of these options and a preprinted voided check is not provided, the information on the investment check will be used, if applicable. At least one of the Account Owners must be listed on the bank account registration to establish bank instructions for investments and withdrawals. If you'd like to establish bank instructions from a bank account owned by someone other than yourself, you and the Bank Account Owner(s) must complete an **Account Features Form**.

- Enclose a voided preprinted check.**

Important: By completing this Application, you agree and confirm that your ACH transactions will not involve the branches or offices of a bank or other financial services company located outside the territorial jurisdiction of the United States.

Bank Name

- B1. **Electronic Fund Transfer (EFT).** Through EFT, you can make a contribution whenever you want by transferring money from your bank account. We will keep your bank instructions on file for future EFT contributions. To set this up, you must provide a voided check as instructed. If you do not provide a voided check, the information on the investment check will be used, if applicable. The Plan may place a limit on the total dollar amount per day you may contribute to an account by EFT. *(The amount below will be a one-time EFT contribution to open your Account.)*

\$

Amount

- B2. **Recurring Contributions.** You can have a set amount automatically transferred from your bank account on the frequency you specify. Money will be transferred electronically at regular intervals from your financial institution to your Schwab 529 Plan Account. You may change the investment amount and frequency at any time by logging onto your Account at **schwab.com**.

Amount of Debit: \$

Frequency (Check One.): Monthly Quarterly Semi-Annually Annually

Start Date:* - -

Date (mm/dd/yyyy)

* Your instructions must be received at least 3 business days prior to the indicated start date; otherwise, debits from your bank account will begin the following month on the day specified. If a date is not specified, the investment will be made on the 15th of the month. If the date you select falls on a weekend or a holiday, the investment will be made the next business day. The frequency is based on start date, not calendar date.

Note: A plan of regular investment cannot assure a profit or protect against a loss in a declining market.

Annual Increase. You may increase your recurring contribution automatically on an annual basis. Your contribution will be adjusted each year in the month that you specify by the amount indicated.

Amount of Increase: \$.

Month:**

** The month in which your recurring contribution will be increased. The first increase will occur at the first instance of the month selected. Annual increases are subject to the general contribution limits of the Schwab 529 Plan and will also count toward annual federal gift tax exclusion limits.

C. **Schwab One or Schwab brokerage account.** Move money out of your Schwab One or Schwab brokerage account to fund your Schwab 529 Plan Account. Provide your Schwab One or Schwab brokerage account number below.

\$,.

Amount

–

Schwab Account Number

D. **Rollover from another 529 plan, or an ESA to the Schwab 529 Plan.** By law, rollovers between 529 plans with the same Designated Beneficiary are permitted only once every 12 months. If you are including a check with this Application, you will need to provide a statement from the prior provider that reflects the amount of earnings and contributions represented by the rollover; otherwise, the entire amount will be considered earnings. See the Guide for more information. If you are not including a check with this Application, complete and include with this Application a **Schwab 529 Plan Rollover Request Form**, available online at schwab.com/forms or by calling **1-888-903-3863**.

Note: If rolling over from an ESA, the Beneficiary must be named as the Account Owner (*in Section 2*) and the Designated Beneficiary (*in Section 3*) on this Application. A Responsible Individual must be named for the Account (*in Section 4*) if the Designated Beneficiary is a minor. The Designated Beneficiary/Account Owner may not be changed on the Account. When the minor reaches the age of majority, the minor will have full control of the Account.

To move money out of your Schwab Education Savings Account to fund your Schwab 529 Plan Account, provide your ESA account number below.

\$,.

Amount

–

Schwab Account Number

E. **Payroll Deduction.** If you want to make contributions to your Schwab 529 Plan Account directly as a Payroll Deduction, you must contact your employer’s payroll office to verify that you can participate. Payroll Deduction contributions will not be made to your Schwab 529 Plan Account until you have received a **Payroll Deduction Confirmation Form** from the Schwab 529 Plan, provided your signature and Social Security number on the Form, and submitted the Form to your employer’s payroll office. The amount you indicate below will be in addition to Payroll Deductions that you may have previously established for other Schwab 529 Plan Accounts.

Amount of Payroll Deduction each pay period: \$,.

11. Schwab 529 Education Savings Plan Account Application Agreement

Section 1: Scope of Agreement.

Please sign exactly as your name appears in the Account Owner Information section. If the Account Owner is a minor, the Responsible Individual must sign in **Section 10**.

- I authorize American Century Services, LLC (American Century Investments®) and its agent to open a Schwab 529 Education Savings Plan account in the name of the Account Owner.
- I understand that if I open a Schwab 529 Plan Account, it will be an account with American Century Investments and not Schwab. I, or my Investment Advisor if I have one: (i) am responsible for determining the nature, potential value and suitability for me of any particular track, investment strategy, transaction or security; (ii) have an affirmative duty to monitor profits and losses in my account; and (iii) will rely on multiple sources of information in making investment decisions for my account, and any information Schwab will provide will not serve as the sole basis for any investment decision I make or have made on my behalf. Schwab will not act as an investment advisor to me and, unless Schwab agrees otherwise in writing, will act only as a broker-dealer to me with respect to my account(s) custodied at Schwab.
- I acknowledge that I have received and read the Schwab 529 Plan Guide and Participation Agreement and this Application, and agree to be bound by their terms and all amendments. I am of legal age.
- I authorize American Century, its agents and Schwab to act upon my instructions for the services I have selected on this form.
- I (We) certify that any ACH transactions will not involve the branches or offices of a bank or other financial services company located outside the territorial jurisdiction of the United States.
- In consideration of American Century and Schwab providing the online services and those established on this form, the undersigned agrees to defend, hold harmless and indemnify American Century and its officers, agents, employees, affiliates and successors; the Kansas State Treasurer; the State of Kansas; and Schwab from all losses, claims, expenses and liabilities that any of them may suffer arising from, or as a result of, American Century's and Schwab's acceptance of transaction instructions through these services.
- I acknowledge and agree that American Century, its agents and Schwab may share the personal information about the Designated Beneficiary and me that I provide in this Application and other account related documents. American Century and Schwab will share this information to open my account, to process my transactions and to provide service for my account.
- I acknowledge that my designated Financial Professional named in **Section 6** has been empowered to act on my behalf, with respect to my Schwab 529 Plan accounts, under a separate agreement with the listed broker/dealer firm, consistent with the authority level I have indicated in **Section 6b** of this Application. This authority does not include address changes, transferring ownership of units, changing the Designated

Beneficiary, Successor Account Owner or Successor Responsible Individual or establishing convenience services.

- I understand that accounts established under the Schwab 529 Plan are domiciled at American Century and not Schwab. The earnings from those accounts are neither insured nor guaranteed by the State of Kansas, the Kansas State Treasurer, American Century Investments or Charles Schwab & Co., Inc.
- I acknowledge that Schwab and American Century and its agents shall not be responsible in any way for determining the appropriateness of contributions; the amount, character, timing, purpose or propriety of any distribution or withdrawal; or any other action or non-action taken at the Account Owner's request. The Account Owner and Designated Beneficiary shall at all times fully indemnify and hold harmless Schwab, its successors and assigns from and against any and all liability, loss, damage or expense, including attorneys' fees, which may arise in connection with the Schwab 529 Plan, except liability arising from the negligence or willful misconduct of Schwab.
- I understand that the Program will not accept any contribution in excess of the Maximum Account Balance of all Kansas 529 Plan accounts.

The following section applies solely to you and Schwab and/or any controversy or claim between you and Schwab.

Section 2: 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.**

Schwab 529 Education Savings Plan Account Application Agreement *(Continued)*

- 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 3: 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.

Schwab 529 Education Savings Plan Account Application Agreement *(Continued)*

(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.

Waiver of Class Action or Representative Action.

Neither you nor Schwab shall be entitled to arbitrate any claims as a class action or representative action.

You and Schwab agree that any actions between us and/or Related Third Parties shall be brought solely in our individual capacities. You and Schwab hereby waive any right to bring a class action, or any type of representative action against each other or any Related Third Parties in court. You and Schwab waive any right to participate as a class member, or in any other capacity, in any class action or representative action brought by any other person, entity or agency against Schwab or you.

Section 4: Business Continuity Program.

Schwab has a comprehensive business continuity program in place to address the possibility of service disruptions, which is reviewed, updated and tested on a regular basis. Schwab's business continuity plan is available at www.schwab.com.

Section 5: Information About SIPC.

To obtain information about Securities Investor Protection Corporation (SIPC), including an explanatory SIPC brochure, please contact SIPC at www.sipc.org or 1.202.371.8300.

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