

# Designated Beneficiary Plan Agreement

## Investment Advisor ("IA") Information (This portion to be completed by IA.)

IA Firm Name (Please print.)

IA Master Account Number

Service Team

IA Contact Name (if follow-up is required)

IA Telephone Number

IA Email Address

## Important Notes About This Agreement

- Throughout this Plan, the words "you," "your" and "yours" refer to each account holder, and the words "we," "us" and "our" refer to Schwab or, where applicable, Schwab Bank.
- Use this agreement to establish a Designated Beneficiary Plan ("Plan") for your Schwab One® Brokerage account, add the Plan to a new Schwab Bank High Yield Investor Checking® ("High Yield Investor Checking") account, change beneficiary(ies) on an existing Plan or revoke an existing Plan. Any changes or revocations must be made on a new Designated Beneficiary Plan Agreement and be submitted to Schwab.
- At your death, or the death of the last surviving account holder, assets covered by this Plan will be distributed to the beneficiary(ies) designated in this agreement or in subsequent revisions submitted to Schwab.
- If this is a joint account, the surviving account holder has the right to revoke the Plan or change beneficiaries following your death.
- Schwab's Designated Beneficiary Plan covers only assets in the Schwab One account and the linked High Yield Investor Checking account designated on this form. A separate Designated Beneficiary Plan Agreement is required for any other eligible Schwab One account and linked High Yield Investor Checking account.
- **Subject to applicable law, the Designated Beneficiary Plan will generally take precedence over any estate planning vehicles such as a will or trust.** Please consult your attorney or other estate planning advisors about your specific situation. It is your obligation to periodically review and update your beneficiary designations, particularly following a significant life event such as marriage, divorce, or the birth or adoption of a child.
- If at any time in the future you want to revoke the Designated Beneficiary Plan, you must submit a new Designated Beneficiary Plan Agreement, check the appropriate box in Section 1, and follow the directions. If you would like to change beneficiaries and/or your Authorized Party on an existing Plan, check the appropriate box in Section 1 and follow the directions. In the event of your death (or, in the case of a joint account, the death of the last surviving account holder), the beneficiary designations will be irrevocable.

## Eligibility Requirements

To take advantage of Schwab's Designated Beneficiary Plan:

- **The account must be a Schwab One Brokerage account. If the account is a general brokerage account, you will need to upgrade it to a Schwab One Brokerage account.**
- Your account(s) must be registered as Individual, Joint Tenants with Rights of Survivorship, or Community Property with Rights of Survivorship. (A Community Property with Rights of Survivorship registration is not applicable to the High Yield Investor Checking account.) Before changing your registration in order to become eligible for the Plan, please consult your attorney or other estate planning advisors.
- The Plan is not available in Louisiana. If your primary residence changes to a state where the Plan is not offered, this designation will no longer be valid. Also, if your primary residence is outside the United States, your account is not eligible for this Plan.

## Important Notes for High Yield Investor Checking Clients

- If you have a High Yield Investor Checking account linked to your Schwab One Brokerage account, the High Yield Investor Checking account will automatically assume the same beneficiary(ies) that you designate for the Schwab One Brokerage account.
- This agreement with Schwab Bank applies only to the High Yield Investor Checking account specified in this form. It does not apply to any other accounts you may have at Schwab Bank.

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

**Important Notes for High Yield Investor Checking Clients (Continued)**

"Schwab One® Brokerage account" refers to your account with Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, and "Schwab Bank High Yield Investor Checking® account" refers to your account with Charles Schwab Bank ("Schwab Bank"). "Designated Beneficiary Plan" is the term Schwab uses to refer to its Plan enabling clients to name beneficiaries on their Schwab One Brokerage accounts and applies to Schwab One Brokerage accounts with a linked High Yield Investor Checking account. Such a beneficiary arrangement is also referred to as Transfer on Death ("TOD") in the securities industry and Payable on Death ("POD") in the banking industry. This form uses the phrase "Designated Beneficiary Plan," but the result for your accounts is the same as it would be if the beneficiary arrangement was referred to as a TOD provision on your Schwab One Brokerage account and a POD provision on your High Yield Investor Checking account.

Charles Schwab & Co., Inc. and Schwab Bank are separate but affiliated companies and wholly owned subsidiaries of The Charles Schwab Corporation. Brokerage products and services are offered by Charles Schwab & Co., Inc., member SIPC, and are not FDIC-insured, are not guaranteed deposits or obligations of Charles Schwab Bank, and are subject to investment risk, including possible loss of the principal invested. Deposit and lending products and services are offered by Schwab Bank, member FDIC, an Equal Housing Lender.

**1. Agreement Action (Check only one.)**

- Add a new Plan. (Check this box and complete all remaining sections.)
- Add a Plan to a new Schwab Bank High Yield Investor Checking account. (Check this box and complete all remaining sections.)
- Change beneficiaries and/or your Authorized Party on an existing Plan. (Check this box and complete all remaining sections.)
- Revoke an existing Plan. (Check this box and complete Sections 2 and 8.)

**2. Account Information**

We respect your privacy. Schwab and Schwab Bank may use the information you provide to communicate with you and to provide you with information about products and services. Read about the privacy policies of Charles Schwab & Co., Inc. and Charles Schwab Bank at [www.schwab.com/privacy](http://www.schwab.com/privacy). As required by federal law, we will use the information you provide to Schwab and Schwab Bank to verify your identity.

**Type of Registration:**     Individual                       Joint Tenants with Rights of Survivorship  
     Community Property with Rights of Survivorship\*

\*This type of registration may not be available in your state. Community Property with Rights of Survivorship account registration is not available for High Yield Investor Checking accounts.

\_\_\_\_\_ *Account Holder Name First Middle Last*

\_\_\_\_\_ *Home Street Address (no P.O. boxes, please) City*

\_\_\_\_\_ *State Zip Code*

Is this your primary residence?     Yes     No

(If your primary residence is in the state of Louisiana or outside the United States, your account is not eligible for Schwab's Designated Beneficiary Plan.)

\_\_\_\_\_ **Schwab One Brokerage Account Number**

If you have a High Yield Investor Checking account that is linked with the Schwab One Brokerage account listed above, please provide the High Yield Investor Checking account number:

\_\_\_\_\_ **Schwab Bank High Yield Investor Checking Account Number**

\_\_\_\_\_ *Additional Account Holder Name First Middle Last*

\_\_\_\_\_ *Additional Account Holder Name First Middle Last*

## 2. Account Information (Continued)

- I have opened a High Yield Investor Checking account but do not yet have the account number.
- I would like to open a High Yield Investor Checking account.

**Note:** In order for Schwab to open a new account for you, please complete the Add Schwab Bank High Yield Investor Checking to Your Schwab One Brokerage Account form and submit it along with this form.

## 3. Instructions and Important Information

In the event of my death, pay the full value of my account (in equal proportions, in the case of multiple beneficiaries, unless I indicate otherwise) to the Primary Beneficiary(ies) as designated in the Beneficiary Designation section below. I understand that if a Primary Beneficiary passes away before me, the remaining portion will be divided proportionately among any surviving Primary Beneficiaries in the manner provided in the Charles Schwab & Co., Inc. Individual Retirement Plan. If no Primary Beneficiary survives me, pay the full value of my account (in equal proportions, in the case of multiple beneficiaries, unless I indicate otherwise) to the Contingent Beneficiary(ies) as designated in the Beneficiary Designation section below. I understand that if a Contingent Beneficiary passes away before me, the remaining portion will be divided proportionately among any surviving Contingent Beneficiaries in the manner provided in the Charles Schwab & Co., Inc. Individual Retirement Plan. Any beneficiary who does not survive me by 120 hours will be considered to have passed away before me. If no designated beneficiary survives me, or if I do not designate a beneficiary, pay the full value of my account to my estate.

I understand that I may change or revoke this designation at any time by completing a new Beneficiary Form during my lifetime with Schwab. It will become effective when Schwab receives it.

I understand that if Schwab determines that my beneficiary designation is not clear with respect to the amount of the distribution, the date on which the distribution shall be made, or the identity of the party or parties who will receive the distribution, Schwab shall have the right, in its sole discretion, to consult counsel and to institute legal proceedings to determine the proper distribution of the account, all at the expense of the account, before distributing or transferring the account.

If I live in a state with community property statutes and do not designate my spouse as the sole Primary Beneficiary, I represent and warrant that my spouse has consented to such designation.

If this account is for a minor, I understand that only the minor's estate can be the beneficiary until such time as the minor becomes the owner of the account and designates his or her own beneficiaries.

## 4. Information About Beneficiary Designations

You may select either a per stirpes distribution or a per capita distribution. **The primary difference between per stirpes and per capita is in how your assets would be distributed to your named beneficiary's(ies) surviving children in the event that all of your named beneficiaries die before you.** Per stirpes and per capita distributions are limited to your named beneficiary's(ies) children and no further descendants.

Per stirpes and per capita are defined below.

### Please note the following:

- If you indicate a distribution option to your named beneficiary's(ies) surviving children, per stirpes or per capita, you agree that the definition of per stirpes or per capita in this form will govern how Schwab distributes your assets.
- The definition of per stirpes and per capita in this form may differ from the definition of per stirpes and per capita under your state's laws and/or your will or trust.
- Carefully review the definition of per stirpes and per capita below and in the Designated Beneficiary Plan Terms of Agreement. Consult an attorney if you have any questions about these definitions.
- If you indicate per stirpes or per capita for a named beneficiary, Schwab will require the Authorized Party (named in Section 6) to certify the identity of the per stirpes/per capita beneficiary(ies) prior to distributing your assets.
- Per stirpes and per capita are options for individual beneficiaries only; for trusts or organizations (such as charities), designate only a percentage.

#### 4. Information About Beneficiary Designations (Continued)

##### Definition of Per Stirpes Distribution

- If your named beneficiary dies before you, Schwab will distribute your named beneficiary's portion of your assets to his or her living children, if any, in equal shares.
- If your named beneficiary dies before you and has no living children, his or her portion will be distributed to your other named beneficiary(ies) (primary or contingent, as appropriate), if any, in equal shares.
- If all of your named beneficiaries die before you, Schwab will distribute your named beneficiary's(ies)' portion of your assets to his or her living children.

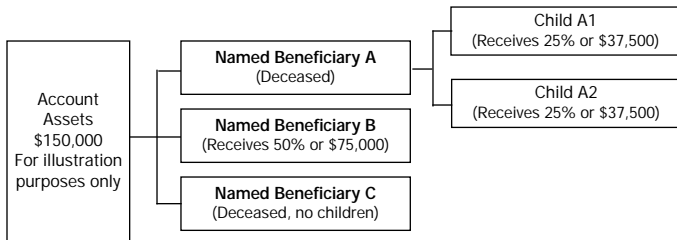
##### Definition of Per Capita Distribution

- If your named beneficiary dies before you, Schwab will distribute your named beneficiary's portion of your assets to his or her living children, if any, in equal shares.
- If your named beneficiary dies before you and has no living children, his or her portion will be distributed to your other named beneficiary(ies) (primary or contingent, as appropriate), if any, in equal shares.
- If all of your named beneficiaries die before you, Schwab will distribute your assets equally among all of the living children of your named beneficiaries, if any.

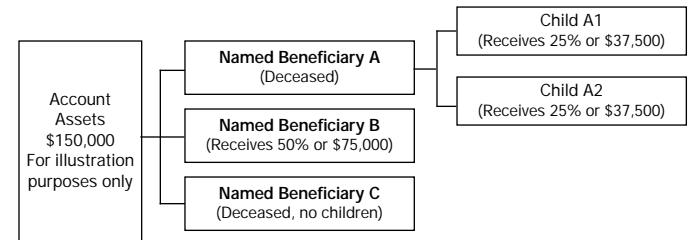
##### Example 1

The end result is the same under both a per stirpes and a per capita distribution as long as at least one of the named beneficiaries survives you.

##### Example 1A – Per Stirpes



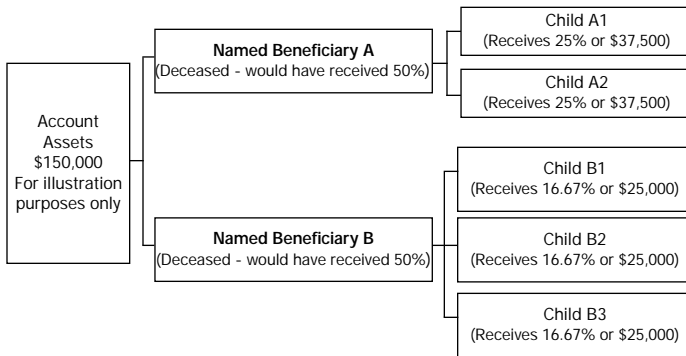
##### Example 1B – Per Capita



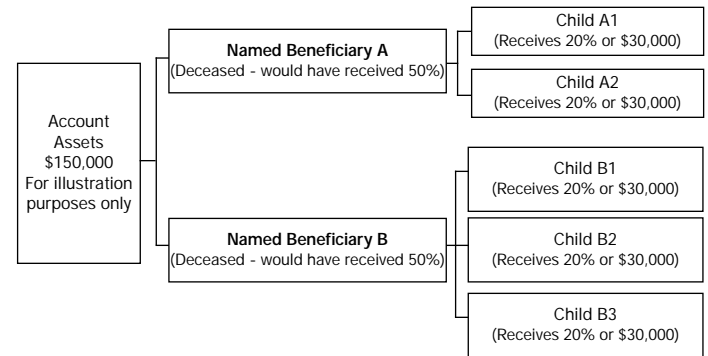
##### Example 2

In this example, all of the named beneficiaries die before you and the results are different based on whether you selected a per stirpes or per capita distribution option.

##### Example 2A – Per Stirpes



##### Example 2B – Per Capita





**Additional Primary Beneficiary (if applicable)**

\_\_\_\_\_ % Per Stirpes/Per Capita Distribution  Yes  No

Portion

Beneficiary Name *First* \_\_\_\_\_ *Middle* \_\_\_\_\_ *Last* \_\_\_\_\_

Trust/Organization/Estate (If Trust, include full Trust Name.)

Relationship (Select only one.)

Spouse  Child  Grandchild  Parent  Sibling  Other Individual  Trust  Organization  Estate

Social Security/Tax ID Number \_\_\_\_\_ Date of Birth/Trust Date (mm/dd/yyyy) \_\_\_\_\_ Telephone Number \_\_\_\_\_

Email Address \_\_\_\_\_ Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State or Province \_\_\_\_\_ Zip or Postal Code \_\_\_\_\_

Country(ies) of Citizenship (Must list each separated by a comma.)

USA  Other: \_\_\_\_\_

Country of Legal Residence (Select only one.)

USA  Other: \_\_\_\_\_

**Additional Primary Beneficiary (if applicable)**

\_\_\_\_\_ % Per Stirpes/Per Capita Distribution  Yes  No

Portion

Beneficiary Name *First* \_\_\_\_\_ *Middle* \_\_\_\_\_ *Last* \_\_\_\_\_

Trust/Organization/Estate (If Trust, include full Trust Name.)

Relationship (Select only one.)

Spouse  Child  Grandchild  Parent  Sibling  Other Individual  Trust  Organization  Estate

Social Security/Tax ID Number \_\_\_\_\_ Date of Birth/Trust Date (mm/dd/yyyy) \_\_\_\_\_ Telephone Number \_\_\_\_\_

Email Address \_\_\_\_\_ Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State or Province \_\_\_\_\_ Zip or Postal Code \_\_\_\_\_

Country(ies) of Citizenship (Must list each separated by a comma.)

USA  Other: \_\_\_\_\_

Country of Legal Residence (Select only one.)

USA  Other: \_\_\_\_\_

**Additional Primary Beneficiary (if applicable)**

\_\_\_\_\_ % Per Stirpes/Per Capita Distribution  Yes  No

Portion

Beneficiary Name *First* \_\_\_\_\_ *Middle* \_\_\_\_\_ *Last* \_\_\_\_\_

Trust/Organization/Estate (If Trust, include full Trust Name.) \_\_\_\_\_

Relationship (Select only one.)

Spouse  Child  Grandchild  Parent  Sibling  Other Individual  Trust  Organization  Estate

Social Security/Tax ID Number \_\_\_\_\_ Date of Birth/Trust Date (mm/dd/yyyy) \_\_\_\_\_ Telephone Number \_\_\_\_\_

Email Address \_\_\_\_\_ Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State or Province \_\_\_\_\_ Zip or Postal Code \_\_\_\_\_

Country(ies) of Citizenship (Must list each separated by a comma.) \_\_\_\_\_ Country of Legal Residence (Select only one.)

USA  Other: \_\_\_\_\_  USA  Other: \_\_\_\_\_

**5. Beneficiary Designations (Continued)**

**Contingent Beneficiaries**

If you wish to indicate additional designation options, please visit [www.schwaballiance.com/beneficiaries](http://www.schwaballiance.com/beneficiaries).

**Contingent Beneficiary**

\_\_\_\_\_ % Per Stirpes/Per Capita Distribution  Yes  No

Portion

Beneficiary Name *First* \_\_\_\_\_ *Middle* \_\_\_\_\_ *Last* \_\_\_\_\_

Trust/Organization/Estate (If Trust, include full Trust Name.) \_\_\_\_\_

Relationship (Select only one.)

Spouse  Child  Grandchild  Parent  Sibling  Other Individual  Trust  Organization  Estate

Social Security/Tax ID Number \_\_\_\_\_ Date of Birth/Trust Date (mm/dd/yyyy) \_\_\_\_\_ Telephone Number \_\_\_\_\_

Email Address \_\_\_\_\_ Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State or Province \_\_\_\_\_ Zip or Postal Code \_\_\_\_\_

Country(ies) of Citizenship (Must list each separated by a comma.) \_\_\_\_\_ Country of Legal Residence (Select only one.)

USA  Other: \_\_\_\_\_  USA  Other: \_\_\_\_\_

**Additional Contingent Beneficiary (if applicable)**

\_\_\_\_\_ % Per Stirpes/Per Capita Distribution  Yes  No

Portion

Beneficiary Name *First* \_\_\_\_\_ *Middle* \_\_\_\_\_ *Last* \_\_\_\_\_

Trust/Organization/Estate (If Trust, include full Trust Name.)

Relationship (Select only one.)

Spouse  Child  Grandchild  Parent  Sibling  Other Individual  Trust  Organization  Estate

Social Security/Tax ID Number \_\_\_\_\_ Date of Birth/Trust Date (mm/dd/yyyy) \_\_\_\_\_ Telephone Number \_\_\_\_\_

Email Address \_\_\_\_\_ Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State or Province \_\_\_\_\_ Zip or Postal Code \_\_\_\_\_

Country(ies) of Citizenship (Must list each separated by a comma.)

USA  Other: \_\_\_\_\_

Country of Legal Residence (Select only one.)

USA  Other: \_\_\_\_\_

**Additional Contingent Beneficiary (if applicable)**

\_\_\_\_\_ % Per Stirpes/Per Capita Distribution  Yes  No

Portion

Beneficiary Name *First* \_\_\_\_\_ *Middle* \_\_\_\_\_ *Last* \_\_\_\_\_

Trust/Organization/Estate (If Trust, include full Trust Name.)

Relationship (Select only one.)

Spouse  Child  Grandchild  Parent  Sibling  Other Individual  Trust  Organization  Estate

Social Security/Tax ID Number \_\_\_\_\_ Date of Birth/Trust Date (mm/dd/yyyy) \_\_\_\_\_ Telephone Number \_\_\_\_\_

Email Address \_\_\_\_\_ Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State or Province \_\_\_\_\_ Zip or Postal Code \_\_\_\_\_

Country(ies) of Citizenship (Must list each separated by a comma.)

USA  Other: \_\_\_\_\_

Country of Legal Residence (Select only one.)

USA  Other: \_\_\_\_\_



**Additional Contingent Beneficiary (if applicable)**

\_\_\_\_\_ % Per Stirpes/Per Capita Distribution  Yes  No

Portion

Beneficiary Name *First* \_\_\_\_\_ *Middle* \_\_\_\_\_ *Last* \_\_\_\_\_

Trust/Organization/Estate (If Trust, include full Trust Name.)

Relationship (Select only one.)

Spouse  Child  Grandchild  Parent  Sibling  Other Individual  Trust  Organization  Estate

Social Security/Tax ID Number \_\_\_\_\_ Date of Birth/Trust Date (mm/dd/yyyy) \_\_\_\_\_ Telephone Number \_\_\_\_\_

Email Address \_\_\_\_\_ Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State or Province \_\_\_\_\_ Zip or Postal Code \_\_\_\_\_

Country(ies) of Citizenship (Must list each separated by a comma.)

Country of Legal Residence (Select only one.)

USA  Other: \_\_\_\_\_

USA  Other: \_\_\_\_\_

If more than four Primary or Contingent Beneficiaries are designated, attach a separate sheet of paper, signed and dated as it appears on this application.

**6. Designate an Authorized Party**

Please name an Authorized Party below. An "Authorized Party" is a person you identify as being able to assist Schwab in locating and/or identifying your beneficiary(ies).

If you indicate per stirpes or per capita for a beneficiary(ies), Schwab will require the Authorized Party to verify the identity of the beneficiary(ies) prior to distributing your account assets. For more information, see the Beneficiary Designation Account Terms.

Authorized Party Name *First* \_\_\_\_\_ *Middle* \_\_\_\_\_ *Last* \_\_\_\_\_ Relationship to You \_\_\_\_\_

Home Street Address (no P.O. boxes, please) \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip or Postal Code \_\_\_\_\_

Telephone Number \_\_\_\_\_ Email Address(es) \_\_\_\_\_

**7. Directions for Distribution(s) of Assets to Minor Beneficiaries**

Please Check One:

- A.  None of my designated beneficiaries is a minor.
- B.  Please transfer any minor's assets to a Custodial account at Charles Schwab & Co., Inc. (and Schwab Bank, if a Schwab One® Brokerage account is linked to a High Yield Investor Checking account), managed by the custodian(s) designated below. In each instance that the assets pass to the designated custodian as the custodian for the designated minor, the assets shall be transferred under the Uniform Transfer to Minors Act ("UTMA") or the Uniform Gift to Minors Act ("UGMA") or any other similar statute in effect as specified below.
- C.  I understand and accept that a court-appointed guardian may have to be appointed to manage the minor's assets under ongoing court supervision if I do not check "B" above.

If you have selected "B," please list the custodian for each minor beneficiary.

|            |        |      |  |
|------------|--------|------|--|
| Name First | Middle | Last | As custodian for (name of minor beneficiary) |
|            |        |      |  |
| Name First | Middle | Last | As custodian for (name of minor beneficiary) |
|            |        |      |  |
| Name First | Middle | Last | As custodian for (name of minor beneficiary) |
|            |        |      |  |
| Name First | Middle | Last | As custodian for (name of minor beneficiary) |
|            |        |      |  |

**8. Sign and Date Using Blue or Black Ink.**

By signing below, I/we request Charles Schwab & Co., Inc. to accept the beneficiary(ies) and/or Authorized Party for my/our accounts, as specified on this agreement (or to revoke an existing Plan, if that box is checked in Section 1 of this agreement). I/we acknowledge that I/we have read and agree to the Designated Beneficiary Plan Terms of Agreement with Charles Schwab & Co., Inc.

High Yield Investor Checking Account: If I/we have provided an account number for a High Yield Investor Checking account in Section 2 of this agreement (or checked the box indicating a new High Yield Investor Checking account), I/we additionally request Schwab Bank to accept the beneficiary(ies) and/or Authorized Party for my/our High Yield Investor Checking account as specified on this agreement (or to revoke an existing Plan, if that box is checked in Section 1 of this agreement). I/we acknowledge that I/we have read and agree to the Terms of Agreement With Schwab Bank for the Designated Beneficiary Plan—High Yield Investor Checking Account. I/we acknowledge that I/we have received a copy of these agreement(s).

**X** \_\_\_\_\_  
 Account Holder Signature Today's Date (mm/dd/yyyy)

\_\_\_\_\_  
 Print Name

**X** \_\_\_\_\_  
 Additional Account Holder Signature Today's Date (mm/dd/yyyy)

\_\_\_\_\_  
 Print Name

**X** \_\_\_\_\_  
 Additional Account Holder Signature Today's Date (mm/dd/yyyy)

\_\_\_\_\_  
 Print Name

# Designated Beneficiary Plan Terms of Agreement

These terms relate to your account and are part of the Account Agreement between each account holder and Schwab. Please retain for your records.

For the purposes of this section, "Schwab," "we," "us," and "our" refer to Charles Schwab & Co., Inc.

**A. Amendment and Account Agreement.** The Designated Beneficiary Plan (the "Plan") adds to, but does not replace any of, the terms and conditions of your Schwab One® Account Agreement and any other agreements between you and Schwab that apply to your accounts with Schwab. The Plan consists of the Plan Agreement, including the Plan Terms of Agreement, and any other agreements between you and Schwab that apply to the Plan. If any of the Plan Terms of Agreement should conflict with those of any other agreements that apply to your Schwab One account, as they may be amended from time to time, the Plan Terms of Agreement will control. Unless otherwise defined, capitalized terms in the Plan Terms of Agreement have the same meaning as in the Schwab One Agreement.

**B. Limited Availability.** Only Schwab One accounts with Individual or Joint Tenants with Rights of Survivorship (or Community Property with Rights of Survivorship) registrations are eligible for the Plan. Accounts registered as Community Property without Rights of Survivorship (and IRAs or other retirement accounts) are ineligible. Your primary residence must be in a state in which Schwab offers the Plan. By enrolling in the Plan, you represent to us that your primary residence is in one of these states. You understand that the Plan automatically terminates at any time you no longer have a primary residence in a state that allows for the Plan, in which event all designations cease having any legal effect. It is your responsibility to notify us in writing when your primary residence ceases to be in an eligible state, and we will then cancel your enrollment in the Plan. If you reestablish a primary residence in a state where Schwab offers the Plan, you must complete a new Designated Beneficiary Plan Agreement. If you have any questions as to whether your primary residence is in a state where Schwab offers the Plan, please contact your Investment Advisor.

**C. Plan Fees.** You will not be charged a setup fee. Other fees for services may apply.

**D. Designation of Beneficiaries.** You must designate your beneficiaries in writing on the form provided. These designations will remain in effect until changed or cancelled by you. Your designation of named individuals who may be in the same class as other individuals (e.g., your children or grandchildren) will not include the other unnamed members of that same class, regardless of changes in the members of the class before or after the date of this application. **For example, if you name two children as primary beneficiaries and subsequently have a third child but fail to update your Plan, the third child will not receive distributions under this Plan unless a court orders otherwise.**

If it cannot be determined whether a beneficiary survived the account holder by 120 hours, the beneficiary will be deemed not to have survived that period. Contingent beneficiaries will inherit assets only if there are no surviving primary beneficiaries or per stirpes/per capita heirs (if indicated) at the time of death of the last surviving account holder.

You may indicate per stirpes or per capita distribution for your beneficiary(ies) on this form. **Note that Schwab's definition of per stirpes and per capita may differ from the definition of per stirpes and per capita under your state's laws and/or your will or trust.** It is important that you understand that Schwab will follow the procedures described in this

Agreement. If you have questions regarding your beneficiary designation or estate planning, please consult an attorney. If you indicate a **per stirpes distribution** for a named beneficiary and he or she dies before you, Schwab will distribute your named beneficiary's portion to his or her living children (natural or legally adopted; stepchildren are not legally defined as descendants for these purposes), if any, in equal shares. If your named beneficiary dies before you and has no living children, his or her portion will be distributed to the other named beneficiary(ies) (primary or contingent, as appropriate), if any, in equal shares. If all of your named beneficiaries die before you, Schwab will distribute your named beneficiary's portion of your assets to his or her living children, equally.

If you indicate a **per capita distribution** for a named beneficiary and he or she dies before you, Schwab will distribute your named beneficiary's portion to his or her living children (natural or legally adopted; stepchildren are not legally defined as descendants for these purposes), if any, in equal shares. If your named beneficiary dies before you and has no living children, his or her portion will be distributed to the other named beneficiary(ies), if any, in equal shares. If all of your named beneficiaries die before you, Schwab will distribute the assets equally among the living children (natural or legally adopted) of your named beneficiaries, if any.

**E. Authorized Party.** If you indicate per stirpes or per capita for your beneficiary(ies), Schwab will require a certification of the identity of the beneficiary(ies) from your Authorized Party prior to distributing the account assets. You, on behalf of yourself, your estate, and your successors in interest, agree that Schwab shall be entitled to rely on the verification of beneficiaries provided by your Authorized Party when distributing your account assets. You also agree that Schwab has no obligation to locate or identify any beneficiary or to independently verify any information submitted by your Authorized Party prior to distributing your account assets.

You, your estate, and your successors in interest further understand and agree that, notwithstanding the above and any information or instructions provided by your Authorized Party, Schwab may, in its sole discretion, require additional documentation, consult with counsel, or institute legal proceedings in order to determine the proper identity of your beneficiaries, all of which shall be at the expense of your account.

If you name an Authorized Party in Section 6, Schwab will use reasonable efforts to locate the person you have so designated. If, however, despite these reasonable efforts we are unable to locate the person you have designated as your Authorized Party, or that person is unable or unwilling to serve, then you, your estate, and your successors in interest understand and agree that Schwab will instead be entitled to rely on the verification of beneficiaries provided by the personal representative, executor, or administrator of your estate as identified in letters testamentary or letters of administration issued by a court of appropriate jurisdiction. You agree and understand that the costs of appointing a personal representative, executor, or administrator for your estate, if any, shall be borne by your estate and not by Schwab.

If you wish to change the person you have designated as your Authorized Party, you agree to do so by completing this form in its entirety. If there are multiple account holders, the change of Authorized Party must be authorized by all account holders.

**F. Revocation and Changes to Beneficiary Designations.** During your lifetime, this account belongs to you. You may close the account, remove or add a beneficiary, change the account type or account ownership, or withdraw all or part of the account balance. You may change your named beneficiaries, change the percentages that you wish to distribute to each beneficiary, or revoke your entire Plan at any time. Any designation, revocation, or change to a beneficiary designation must be authorized by all surviving account holders. **A subsequent beneficiary designation by this form automatically revokes a prior designation of all beneficiaries for this account, in its entirety, when it becomes effective.**

In order to be effective, changes or revocations to beneficiary designations must be made in writing, signed by all living account holders, and delivered to Schwab prior to the account holder's death. Schwab will not honor any change of beneficiary made in a will or trust, except as required by court order delivered to Schwab. An attorney-in-fact, guardian, conservator, or other duly authorized and acting representative of the account holder may change or revoke the beneficiary designation only if specifically authorized by a court order or other instrument of appointment delivered and acceptable to Schwab. Changes in the relationship between the account holder(s) and any designated beneficiary, including, but not limited to, subsequent marriage, dissolution of marriage, remarriage, or adoption, will not automatically add or revoke designations of beneficiaries. **For example, if a former spouse was a designated beneficiary prior to the dissolution of your marriage, the former spouse will remain a beneficiary after the dissolution unless you revoke his or her designation as a beneficiary by completing this form in its entirety.**

**G. Payment on Death.** Beneficiary designations under your Plan will not be effective until the death of the last surviving account holder. If this is a joint account, the surviving account holder has the right to revoke the Plan or change beneficiaries after your death. Only assets that are held in your Plan at Schwab can be distributed to the named beneficiaries at the last account holder's death. Transfers to a beneficiary(ies) include any interest, earnings, dividends, etc., associated with these account assets but not paid or credited before the death of the last surviving account holder.

Schwab has no duty to withhold a transfer based on knowledge of an adverse claim unless written notice is given of that claim that affords Schwab reasonable opportunity to act prior to making the transfer. It is the responsibility of each beneficiary designated under the Plan to notify Schwab of the death of the account owner and to provide: (1) a completed Designated Beneficiary Plan Distribution Form; (2) a certified copy of the death certificate; (3) a notarized Affidavit of Domicile; and (4) a tax waiver if required by state law. Furthermore, it may be necessary to require proof of the beneficiary's date of birth or relationship to the account holder. For per stirpes and per capita distributions, the Authorized Party of the account holder(s) will also be required to determine and verify the identity of your beneficiaries. We reserve the right, in our sole discretion, to require additional documentation, to consult counsel, and to institute legal proceedings in order to determine the proper distribution of account assets, which shall be at the expense of the account. Schwab reserves the right, but shall not be obligated, to withhold a certain portion of the proceeds payable to any beneficiary, the distribution to whom would be subject to tax under Chapter 13 (Generation-Skipping Tax) or any other provision of the Internal Revenue Code, or under applicable state laws.

Schwab has no obligation to locate or notify any beneficiary or to independently verify any information submitted either by your Authorized Party or any person claiming an interest in your account. If you indicate per

stirpes or per capita distribution, you, your estate, and your successors in interest agree that Schwab is entitled to rely on the certification provided by your Authorized Party.

When your assets are distributed to your beneficiaries, fractional shares that cannot be distributed in accordance with your instructions will instead be given to the beneficiary receiving the largest percentage of the account's assets or, if each beneficiary is receiving an equal percentage, to the last beneficiary to receive proceeds from the account before it is closed. Each beneficiary will be required to open an account at Schwab or to identify an appropriate existing Schwab account to facilitate transfer of the account's assets and to execute an indemnification in the amount of the account's assets. Schwab may resolve any reasonable doubt as to the disposition of the account's assets by judicial determination, which shall be binding on all parties. All legal and other applicable expenses shall be paid from the assets of the account as permitted by state law.

**H. Suitability of the Plan for You.** You acknowledge that Schwab has not advised, nor will advise, you on whether the Plan is appropriate for you. You acknowledge that a Plan is a substitute for a will, trust, or other testamentary disposition of those assets subject to the Plan designation and may have significant tax, estate planning, or other legal consequences. Schwab recommends that you seek advice from your tax or estate planning advisor prior to enrolling in the Plan. You further acknowledge that this Plan does not constitute a trust and that Schwab has no fiduciary duty as a trustee under this Plan.

**I. Indemnity.** Schwab shall incur no liability for any payment made in good faith pursuant to the Plan. You, on behalf of yourself, your estate, and your successors in interest, including those receiving payment as designated beneficiaries, agree to indemnify and hold harmless Schwab, its affiliates, and their directors, officers, employees, and agents from and against all claims, actions, costs, and liabilities, including attorneys' fees, arising out of or relating to:

- Your failure to notify Schwab of a change in primary residence or domicile that may cause the Plan not to be applicable at the time of the account holder's death;
- Any conflicting designations of the assets in your account by will, revocable living trust, or any other instrument;
- Any written change of designated beneficiaries that you have made that is not received by Schwab during the lifetime of the account holder;
- An inability to locate your Authorized Party;
- The failure of your Authorized Party to identify the correct per stirpes or per capita beneficiary(ies);
- Any reliance by Schwab on any information provided to Schwab by your Authorized Party;
- Delays in distributions, including those resulting from attempts to identify or locate your beneficiaries and/or Authorized Party; and
- Any other claims or disputes not due to Schwab's fault or negligence.

**J. Governing Law.** The Plan and its provisions are effective immediately upon the execution of this Agreement and its receipt by Schwab. The Plan is governed by California law and applicable federal law, as applied to contracts entered into and completely performed within California.

## High Yield Investor Checking Account Terms of Agreement With Schwab Bank

These terms relate to your account and are part of the Account Agreement between each account holder and Schwab Bank. Please retain for your records.

For the purposes of this section, "Schwab Bank," "we," "us," and "our" refer to Charles Schwab Bank.

**A. Amendment and Account Agreement.** This "Designated Beneficiary Plan—Schwab Bank High Yield Investor Checking® Account: Terms of Agreement with Schwab Bank" supplements and is part of the Schwab Bank Deposit Account Agreement, which includes an arbitration provision, which you received at account opening. The Designated Beneficiary Plan with Schwab Bank (the "Bank Plan") consists of the Schwab Designated Beneficiary Plan Agreement and these Terms of Agreement with Schwab Bank. If there is a conflict between the terms in the Bank Plan and the terms of any other agreement that applies to your High Yield Investor Checking account, the terms in the Bank Plan shall control.

**B. Limited Availability.** Only High Yield Investor Checking accounts with Individual or Joint Tenants with Rights of Survivorship registrations are eligible for the Bank Plan. Other registration types are ineligible for the Bank Plan. Your primary residence must be in a state in which Schwab Bank offers the Bank Plan. By enrolling in the Bank Plan, you represent to us that your primary residence is in one of these states. You understand that the Bank Plan automatically terminates at any time you no longer have a primary residence in a state that allows for the Bank Plan, in which event all designations cease having any legal effect. It is your responsibility to notify us in writing when your primary residence ceases to be in an eligible state, and we will then cancel your enrollment in the Bank Plan. If you reestablish a primary residence in a state where Schwab Bank offers the Bank Plan, you must complete a new Designated Beneficiary Plan Agreement. If you have any questions as to whether your primary residence is in a state where Schwab Bank offers the Bank Plan, please contact your Investment Advisor.

**C. Bank Plan Fees.** You will not be charged a setup fee. Other fees for services may apply.

**D. Designation of Beneficiaries.** You must designate your beneficiaries in writing on the form provided. These designations will remain in effect until changed or canceled by you. Your designation of named individuals who may be in the same class as other individuals (e.g., your children or grandchildren) will not include the other unnamed members of that same class, regardless of changes in the members of the class before or after the date of this application. **For example, if you name two children as primary beneficiaries and subsequently have a third child but fail to update your Bank Plan, the third child will not receive distributions under this Bank Plan unless a court orders otherwise.**

If it cannot be determined whether a beneficiary survived the account holder by 120 hours, the beneficiary will be deemed not to have survived that period. Contingent beneficiaries will inherit assets only if there are no surviving primary beneficiaries or per stirpes/per capita heirs (if indicated) at the time of death of the last surviving account holder.

You may indicate per stirpes or per capita distribution for your beneficiary(ies) on this form. **Note that Schwab Bank's definition of per stirpes and per capita may differ from the definition of per stirpes and per capita under your state's laws and/or your will or trust.** It is important that you understand that Schwab Bank will follow the procedures described in this Agreement. If you have questions regarding your beneficiary designation or estate planning, please consult an attorney. If you indicate **per stirpes distribution** for a named beneficiary and he or she dies before you, Schwab Bank will distribute the named beneficiary's portion to his or her living children (natural or legally adopted; stepchildren are not legally defined as descendants for these purposes), if any, in equal shares. If your named beneficiary dies before you and has no living

children, his or her portion will be distributed to the other named beneficiary(ies) (primary or contingent, as appropriate), if any, in equal shares. If all of your named beneficiaries die before you, Schwab Bank will distribute your beneficiary's portion of your assets to his or her living children, equally.

If you indicate a **per capita distribution** for a named beneficiary and he or she dies before you, Schwab Bank will distribute your named beneficiary's portion to his or her living children (natural or legally adopted; stepchildren are not legally defined as descendants for these purposes), if any, in equal shares. If your named beneficiary dies before you and has no living children, his or her portion will be distributed to the other named beneficiary(ies), if any, in equal shares. If all of your named beneficiaries die before you, Schwab Bank will distribute the assets equally among the living children (natural or legally adopted) of your named beneficiaries, if any.

**E. Authorized Party.** If you indicate per stirpes or per capita distribution for your beneficiary(ies), you understand that Schwab Bank will require a certification of the identity of the beneficiary(ies) from your Authorized Party. You, on behalf of yourself, your estate, and your successors in interest, agree that Schwab Bank shall be entitled to rely on the verification of beneficiaries provided by your Authorized Party when distributing your account assets. You also agree that Schwab Bank has no obligation to locate or identify any beneficiary or to independently verify any information submitted by your Authorized Party.

You, your estate, and your successors in interest further understand and agree that, notwithstanding the above and any information or instructions provided by your Authorized Party, Schwab Bank may, in its sole discretion, require additional documentation, consult with counsel, or institute legal proceedings in order to determine the proper identity of your beneficiaries, all of which shall be at the expense of your account.

If you name an Authorized Party in Section 6, Schwab Bank will use reasonable efforts to locate the person you have so designated. If, however, despite these reasonable efforts we are unable to locate the person you have designated as your Authorized Party, or that person is unable or unwilling to serve, then you, your estate, and your successors in interest understand and agree that Schwab Bank will instead be entitled to rely on the verification of beneficiaries provided by the personal representative, executor, or administrator of your estate as identified in letters testamentary or letters of administration issued by a court of appropriate jurisdiction. You agree and understand that the costs of appointing a personal representative, executor, or administrator for your estate, if any, shall be borne by your estate and not by Schwab Bank.

If you wish to change the person you have designated as your Authorized Party, you agree to do so by completing this form in its entirety. If there are multiple account holders, the change of Authorized Party must be authorized by all account holders.

**F. Revocation and Changes to Beneficiary Designations.** During your lifetime, this account belongs to you. You may close the account, remove or add a beneficiary, change the account type or account ownership, or withdraw all or part of the account balance. You may change your named beneficiaries, change the percentages that you wish to distribute to each beneficiary, or revoke your entire Bank Plan at any time. Any designation, revocation, or change to a beneficiary designation must be authorized by all surviving account holders. **A subsequent beneficiary designation by this form automatically revokes a prior designation of all beneficiaries for this account, in its entirety, when it becomes effective.**



In order to be effective, changes or revocations to beneficiary designations must be made in writing, signed by all living account holders, and delivered to Schwab Bank prior to the account holder's death. Schwab Bank will not honor any change of beneficiary made in a will or trust, except as required by court order delivered to Schwab Bank. An attorney-in-fact, guardian, conservator, or other duly authorized and acting representative of the account holder may change or revoke the beneficiary designation only if specifically authorized by a court order or other instrument of appointment delivered and acceptable to Schwab Bank. Changes in the relationship between the account holder(s) and any designated beneficiary, including, but not limited to, subsequent marriage, dissolution of marriage, remarriage, or adoption, will not automatically add or revoke designations of beneficiaries. **For example, if a former spouse was a designated beneficiary prior to the dissolution of your marriage, the former spouse will remain a beneficiary after the dissolution unless you revoke his or her designation as a beneficiary by completing this form in its entirety.**

**G. Payment on Death.** Beneficiary designations under your Bank Plan will not be effective until the death of the last surviving account holder. If this is a joint account, the surviving account holder has the right to revoke the Bank Plan or change beneficiaries after your death. Only assets that are held in your Bank Plan at Schwab Bank can be distributed to the named beneficiaries at the last account holder's death. Transfers to a beneficiary(ies) include any interest, earnings, dividends etc. associated with these account assets but not paid or credited before the death of the last surviving account holder.

Schwab Bank has no duty to withhold a transfer based on knowledge of an adverse claim unless written notice is given of that claim that affords Schwab Bank reasonable opportunity to act prior to making the transfer. It is the responsibility of each beneficiary designated under the Bank Plan to notify Schwab Bank of the death of the account owner and to provide: (1) a completed Designated Beneficiary Plan Distribution Form; (2) a certified copy of the death certificate; (3) a notarized Affidavit of Domicile; and (4) a tax waiver if required by state law. Furthermore, it may be necessary to require proof of the beneficiary's date of birth or relationship to the account holder. For per stirpes and per capita distributions, the Authorized Party of the account holder(s) will also be required to determine and verify the identity of your beneficiaries. We reserve the right, in our sole discretion, to require additional documentation, to consult counsel, and to institute legal proceedings in order to determine the proper distribution of account assets, which shall be at the expense of the account. Schwab Bank reserves the right, but shall not be obligated, to withhold a certain portion of the proceeds payable to any beneficiary, the distribution to whom would be subject to tax under Chapter 13 (Generation-Skipping Tax) or any other provision of the Internal Revenue Code, or under applicable state laws.

If there is an Overdraft Credit Line ("OCL") associated with your High Yield Investor Checking account, we may use the funds in your High Yield Investor Checking account (or other accounts you hold at Schwab Bank) to pay all amounts owing on your OCL before we distribute any funds to the beneficiary(ies).

Schwab Bank has no obligation to locate or notify any beneficiary or to independently verify any information submitted either by your Authorized Party or any person claiming an interest in your account. If you indicate per stirpes or per capita distribution, you, your estate, and your successors in interest agree that Schwab Bank is entitled to rely on the certification provided by your Authorized Party. When your assets are distributed to

your beneficiaries, fractional shares that cannot be distributed in accordance with your instructions will instead be given to the beneficiary receiving the largest percentage of the account's assets or, if each beneficiary is receiving an equal percentage, to the last beneficiary to receive proceeds from the account before it is closed. Each beneficiary will be required to open an account at Schwab Bank or to identify an appropriate existing Schwab Bank account to facilitate transfer of the account's assets and to execute an indemnification in the amount of the account's assets. Schwab Bank may resolve any reasonable doubt as to the disposition of the account's assets by judicial determination, which shall be binding on all parties. All legal and other applicable expenses shall be paid from the assets of the account as permitted by state law.

**H. Suitability of the Bank Plan for You.** You acknowledge that Schwab Bank has not advised, nor will advise, you on whether the Bank Plan is appropriate for you. You acknowledge that a Bank Plan is a substitute for a will, trust, or other testamentary disposition of those assets subject to the Bank Plan designation and may have significant tax, estate planning, or other legal consequences. Schwab Bank recommends that you seek advice from your tax or estate planning advisor prior to enrolling in the Bank Plan. You further acknowledge that this Bank Plan does not constitute a trust and that Schwab Bank has no fiduciary duty as a trustee under this Bank Plan.

**I. Indemnity.** Schwab Bank shall incur no liability for any payment made in good faith pursuant to the Bank Plan. You, on behalf of yourself, your estate, and your successors in interest, including those receiving payment as designated beneficiaries, agree to indemnify and hold harmless Schwab Bank, its affiliates, and their directors, officers, employees, and agents from and against all claims, actions, costs, and liabilities, including attorneys' fees, arising out of or relating to:

- Your failure to notify Schwab Bank of a change in primary residence or domicile that may cause the Bank Plan not to be applicable at the time of the account holder's death;
- Any conflicting designations of the assets in your account by will, revocable living trust, or any other instrument;
- Any written change of designated beneficiaries that you have made that is not received by Schwab Bank during the lifetime of the account holder;
- An inability to locate your Authorized Party;
- The failure of your Authorized Party to identify the correct per stirpes or per capita beneficiary(ies);
- Any reliance by Schwab Bank on any information provided to Schwab Bank by your Authorized Party;
- Delays in distributions including those resulting from attempts to identify or locate your beneficiaries and/or Authorized Party; and
- Any other claims or disputes not due to Schwab Bank's fault or negligence.

**J. Governing Law.** The Bank Plan and its provisions are effective immediately upon the execution of this Agreement and its receipt by Schwab Bank. The Bank Plan is governed by Nevada law and applicable federal law, as applied to contracts entered into and completely performed within Nevada.