



July 2016

Amendments to the Following Account Agreements

- Schwab One® Account
- Schwab Account
- Schwab IRA and ESA Account
- Schwab Retirement Plan Brokerage Account
- Schwab Individual 401(k) Account

July 2016

Account Agreement Amendments

Dear Investor,

This document highlights certain changes to the July 2016 versions of the following five Account Agreements: Schwab One® Account (“Schwab One®”), Schwab Account (“Schwab Account”), Schwab Individual Retirement Account and Education Savings Account (“Schwab IRA and ESA”), Schwab Retirement Plan Brokerage Account (“Schwab RPB”), and Schwab Individual 401(k) Account (“Schwab Individual 401(k”).

These amendments, which include both changes to and clarifications of existing language, apply to individual investor accounts and accounts managed by independent investment advisors, unless otherwise noted.

Effective immediately, these amendments and clarifications replace and supersede all previously published portions of the Account Agreements to which they apply. In the event of any inconsistency or conflict between the terms of these amendments and clarifications and the terms of your existing Account Agreement(s), the terms set forth in this document govern.

Please review this document carefully.

If you have questions about the information contained in this document or about any of our products and services, call your Schwab representative at 1-800-435-4000. If your account(s) is managed by an independent investment advisor, please contact your advisor directly or call Schwab Alliance at 1-800-515-2157. International clients, call +1-415-667-8400.

For a current copy of your Account Agreement, please visit Schwab.com. If your account is managed by an independent investment advisor, visit schwaballiance.com. International clients, visit international.schwab.com. U.K. or Swiss clients, visit schwab.co.uk.

I. Schwab One[®], Schwab Account, Schwab IRA and ESA, Schwab RPB, and Schwab Individual 401(k)

A. Non-Publicly Traded Securities and Worthless or Non-Transferable Securities

In the subsection titled “Valuing Non-Publicly Traded Securities on Statements,” replace the second sentence in the fourth paragraph with the following:

“In these situations, the current valuation will be displayed on your next Schwab statement.”

[Schwab One[®] (Brokerage Services), Schwab Account (Cash Account), Schwab IRA and ESA (Cash Account), Schwab RPB (Cash Account), Schwab Individual 401(k) (Cash Account)]

II. Schwab One[®] and Schwab Account

A. Loan Consent

Replace the entire section with the following:

“You agree and acknowledge that Securities and Other Property held in your Margin Account, now or in the future, may be borrowed (either separately or together with the property of others) by us (acting as principal) or by others. With respect to Securities and Other Property held in your Margin Account, you also agree and acknowledge that:

- Schwab may place any security held in your Account into the Margin Account portion of your Account.
- Schwab may receive and retain certain benefits (including, but not limited to, interest on collateral posted for such loans) to which you will not be entitled.
- In certain circumstances, such borrowings could limit your ability to exercise voting rights, submit your shares for consideration in some corporate actions, or receive dividends, in whole or in part, with respect to the Securities and Other Property lent.
- With respect to any election you make in a corporate action while the Securities or Other Property in your Margin Account are lent to another borrowing counterparty, you understand that the borrower may vote the shares differently and/or make a different election. Schwab will process the corporate action

for your account consistent with your election regardless of whether your distribution is paid directly from the issuer or indirectly by the borrowing counterparty.

- For Securities and Other Property that are lent by Schwab, the interest, dividends, or other payments made on such Securities and Other Property will go to the borrower. No compensation or other reimbursements will be due to you in connection with such borrowings. While Schwab is not required to compensate you for any differential tax treatment, if you are allocated a substitute payment in lieu of interest, dividends, or other payments, you understand that such a payment may not be entitled to the same tax treatment. Schwab may allocate payments in lieu of interest, dividends, or other payments by any mechanism permitted by law.“

[Schwab One® (Brokerage Services), Schwab Account (Margin and Short Account Agreement)]

III. Schwab IRA and ESA

A. Provision of Services

Replace the last sentence with the following:

“With our approval, you may elect to trade options in your cash account.”

[Schwab IRA and ESA (Cash Account)]



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