charles SCHWAB

Workplace Financial Benefit Plans

The services, support, and solutions you need for successful retirement and equity compensation plans.

A HERITAGE OF INVENTIVE SOLUTIONS THAT MEET CLIENT NEEDS

1973
Charles Schwab was founded, offering individual investors lower cost trades and a new way to invest

1984
Schwab unveils mutual fund "supermarket," making it easier for investors to track funds they own from a variety of companies

1991
Mutual Fund OneSource® begins, allowing clients to buy and sell mutual funds without a commission

1995
Fully open investment architecture in retirement plans is introduced by Schwab

2000
Schwab demonstrates support of fee transparency by enhancing its revenue disclosure

2002
Schwab introduces new approach to retirement plan investment solutions: open-architecture target date collective trust funds

2003
Schwab breaks new ground by providing advice at no additional cost for retirement plan participants[1]

2006
Schwab provides investors with security guarantee covering 100 percent of account losses arising from unauthorized activity[2]

2007
Schwab launches Equiview,™ a new stock plan administration tool that streamlines administration of equity compensation plans

Now
Our acquisition of The 401(k) Company adds to our demonstrated ability to serve plans of any size, with the tight focus and deep, proven expertise required—no matter how complex the plan.

Customized benefit plans for you and your employees

As an employer, you face a considerable challenge: balancing an effective benefits strategy with smart cost management that maximizes the bottom line. Your retirement and stock plans are an increasingly important asset for attracting and retaining talent.

At the same time, the employee benefits environment continues to evolve:

- Individuals are responsible for their financial futures like never before, and retirement plans are often their primary source of savings.
- Younger workers are uncertain about the future of Social Security, and reluctant to count on it.
- Traditional pensions are more costly, and less frequently offered by employers.
- Healthcare costs continue to rise, and impact benefits plans.

As a result, employers face increasing pressure to help employees understand their financial benefits and achieve financial wellness, while navigating a changing regulatory, economic and consumer environment.

There has never been a better time to turn to Schwab
With Schwab, you'll feel confident that you're working with a trusted, proven partner with a track record of quality. And your employees will value and appreciate that you have chosen one of the nation's best-known names in financial services for their benefits.

Our record of investor advocacy is strong and consistent. It began with our founder, Charles Schwab, who brought Wall Street to Main Street by offering discount brokerage services to individual investors. Today, our focus is on helping your employees take full advantage of your benefit plan, with personalized communications and guidance that engages employees and drives effective action.

A recent survey found that 90% of Americans perceive Schwab's reputation as good or great,[3] and clients already trust Schwab with over $1.4 trillion in investments.

Schwab can help you meet the challenge

As the sponsor of a complex plan with sophisticated needs, you can trust us to not only partner with you and your consultant but to be a true advocate working in the best interests of your plan and your employees. Our approach delivers best-in-class solutions for employers and personal help and guidance for employees by providing:

Resources to meet your comprehensive plan needs

Schwab has the expertise and resources to support and serve many types of financial benefit plans, in bundled and unbundled solutions. Our expertise in defined contribution and defined benefit plans, equity compensation plans and nonqualified deferred compensation plans is significant. Further, we understand how these plans work together and contribute to the total rewards you offer your employees.

Objective expertise to help you make informed decisions

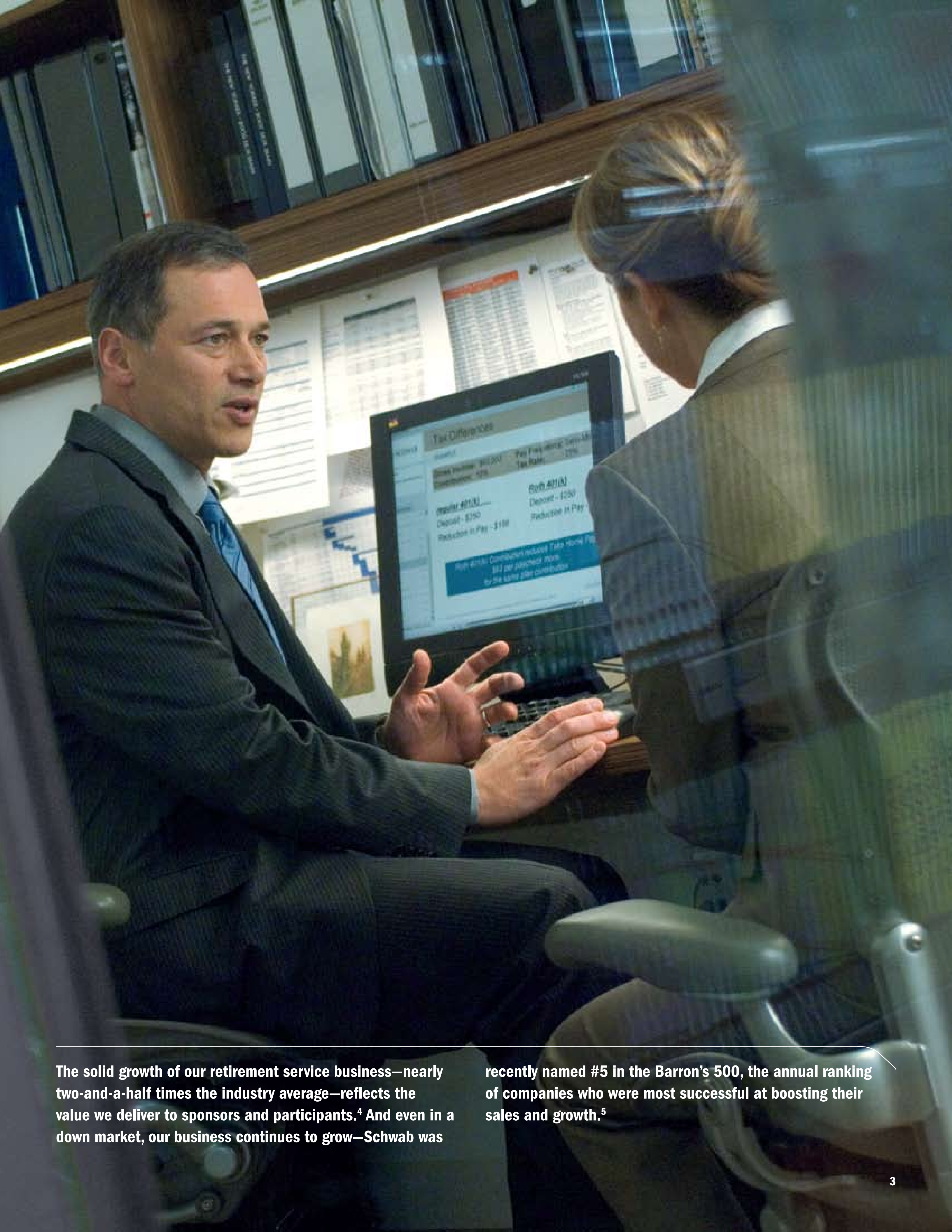
From plan design to administration, consultative help and guidance is available at every step. We'll provide insight and experience to guide you in making the right choices for your plan. Your organization and your employees will realize the benefit of guidance that focuses on their best interests.

Innovation that leads the industry

True innovation means listening to employers, and inventing new ways to meet their evolving needs. Schwab was the first provider in the industry to offer fully open architecture, to make its fee structure transparent and to offer advice at no additional charge to participants.

Services that go beyond the plan

We strive to give your employees the tools and knowledge they need to secure a solid financial future. For some employees, an employer-provided retirement plan may not be enough. Others may not know how to make the best use of stock plan benefits to build wealth. Our commitment is to provide the services, solutions and guidance your employees need to achieve their overall financial and retirement goals—both within and beyond your plan.



The solid growth of our retirement service business—nearly two-and-a-half times the industry average—reflects the value we deliver to sponsors and participants.[4] And even in a down market, our business continues to grow—Schwab was recently named #5 in the Barron's 500, the annual ranking of companies who were most successful at boosting their sales and growth.[5]

The services you need for a successful retirement plan

Schwab has been working with plan sponsors, their consultants and participants for more than two decades. As your provider, we'll share with you the best practices and insights we've gleaned from serving a highly diverse array of clients from across the country.

An unrivaled service experience

We set the standard for clear fee disclosure, and others continue to follow—value and service form the cornerstone of our relationships with employers. In order to give you the prompt support and customized, consultative guidance you need, we maintain a high ratio of Schwab client-service professionals to employers.

To evaluate our performance, a quality-assurance program tracks our progress on an ongoing basis and reports results back to you. We also operate centers of excellence with extensive teams in:

- Austin, TX
- Cleveland, OH
- Denver, CO
- Phoenix, AZ
- San Francisco, CA (Corporate headquarters)

Comprehensive plan administration support

We offer extensive support services to make it easier to administer your plan and free you to focus on more strategic issues. These include:

- Sophisticated Web-based tools to help you meet your fiduciary responsibilities.
  - Use our dedicated plan sponsor Report Center to view plan feature utilization, due diligence reporting and loan history, as well as administrative summaries showing deferral rates, personal rates of return, asset allocation and other key metrics by participant or demographic criteria.
  - Search the participant base by demographic feature or key criteria with our Smart Search function.
- Tools for evaluating whether your plan is meeting your goals:
  - Peer analysis: Learn where your participants stand versus those of industry, regional or plan-size peers; for example, compare average account size, participation rates, and "retirement readiness" of employees.
  - Trend analysis: Compare participants' savings rates and asset allocations before and after auto-enrollment or other plan-design changes.

An industry leader in corporate benefit plans[6]

- 1,376 retirement plans directly served
- 1.3 million participant accounts directly served
- $228 billion in total assets managed:
  - $146 billion in employer-sponsored benefit plans
  - $82 billion in investment-only and clearing relationships
- Approximately 50% of the assets we manage are in plans over $200 million.

- Tools to assess the cost impact of your decisions:
  – Understand and evaluate the impact of plan design changes, and their cost to you, before you implement them.
- Consultative plan services include:
  – In-house ERISA counsel available to discuss retirement plan matters.
  – Review of current plan provisions, with suggestions for structuring the plan to meet your goals or address changing requirements/regulations.
  – Preparation of IRS qualification forms geared to obtaining a favorable determination letter.
  – Recommendations if discrimination tests don't identify viable solutions to failed tests.
  – Monitoring and notification to you of regulatory and legislative changes that affect your plan.
  – Advice on dealing with the potential impact on benefit plans of corporate events such as mergers and acquisitions.

Schwab can help you implement increasingly popular plan features:

- Advice and managed accounts
- Automatic enrollment
- Automatic savings increases (plan- or participant-directed)
- Automatic investment selection with multiple QDIA solutions
- Roth 401(k) contribution options

Unrestricted investment choices

Schwab introduced open architecture to the industry, and continues to hold firm to this philosophy. That means our clients can select investments offered by Schwab or by other firms that best fit their needs. Choose among:

- Several thousand mutual funds, including low-cost institutional funds.
- Collective trust funds, which offer attractive pricing and low-cost diversification. These vehicles, available in families of target-date retirement funds that include the open-architecture Schwab Managed Retirement Trust Funds,™[7] can be part of bundled plan services or as an investment-only solution.
- Custom portfolios built on risk- and target-date-based asset allocation models. These models can be built from your plan's core investment options and tailored to your specifications.[8]
- Self-directed brokerage accounts with Schwab Personal Choice Retirement Account® (PCRA).[9] Participants can choose from a wide range of investments, and receive insights from industry experts. This option is available within a bundled solution or as a separate service.

Objective guidance

Schwab can help you make timely, well-informed decisions about your plan.
You'll get:

- Regular investment reviews and monthly due diligence reporting.
- Personal service from our professionals based in four regional centers, as well as our corporate headquarters in San Francisco.
- Schwab Focus List™ of pre-screened funds with a history of sound performance.
- Analysis of investment structure and fund benchmarking.
- Insights for maximizing portfolio efficiency with Schwab's Portfolio Diversification Measure™ tool.

Investors should consider carefully information contained in the prospectus, including investment objectives, risks, charges and expenses. You can request a prospectus by calling Schwab at 800-434-4000. Please read the prospectus carefully before investing. Past performance is no guarantee of future results.

Service and Support for your Defined Benefit plan

If you offer a defined benefit plan, you need a partner that recognizes and serves your combined plan needs. Whether you're considering a fully bundled solution or separate, unbundled services, we can help with:

- Support for custodian and actuary-only services
- Service and guidance for bundled custodian, nondiscretionary trustee and actuarial solutions
- Access to a wide array of investment choices from premier management firms
- Investment management tools and consulting
- Streamlined administration

eSource, Schwab's electronic news resource, received a Profit Sharing/401(k) Council of America (PSCA) 2007 Signature Award as an excellent source of guidance and information for employers.

A TRACK RECORD OF SUCCESSFUL PARTNERING

At Schwab, our focus is on building strong alliances with employers and effectively supporting participants. The results are measurable, and the industry is taking note.

Recognition from the industry

Clients awarded Schwab 28 best-in-class awards in *PLANSPONSOR* magazine's 2007 DC Provider Survey.

The Profit Sharing/401(k) Council of America has awarded Schwab more Signature Awards than any other provider for excellence and results in employee communication, 2006–2007.

Pensions & Investments Magazine has recognized Schwab with thirteen Eddy Awards for superior work in educating defined-contribution plan participants about investing, 2007–2008.

The Global Equity Organization honored Schwab in 2008 with a first place GEO Award for its work with Hormel Foods Corporation's employee stock plan.

Recognition from plan sponsors[10]

"It's going to take new thinking and real commitment to get all our employees prepared for retirement. I know it's worth it. I know I've got the right partner."

—Senior Vice President, Human Resources, HealthSouth Corporation

"Our employees are automatically enrolled in Schwab Managed Retirement Trust Funds™ based on their age. Remarkably few opt out. Our participation has increased from 50% to over 90%. Employees even thank us for making it easier for them."

—Benefits & Compensation Manager, Evraz Oregon Steel Mills

"As fiduciaries, we have to be concerned about cost. We're very confident about the cost effectiveness of Schwab's managed solutions."

—Human Resources Vice President, Voice Services North, Black Box Network Services

"Employees can feel overwhelmed with too many choices and too little guidance. Schwab's advice services are making a difference for our plan."

—Global Compensation & Benefits Manager, Covington & Burling

Help employees get the most out of their retirement plan

When your employees take full advantage of their retirement plan, they're more engaged—and this leads to a greater connection to your business goals. We help employees realize the value of their benefit plan through:

- Communications tailored to an employee's individual circumstances.
- Personalized retirement planning sessions at no additional charge.
- One-on-one advice for employees, given in person, over the phone or on the Web. Implementing advice is a simple, one-step process for participants.[1]
- Live and online workshops on topics both inside and outside the plan.
- Newsletters featuring timely and relevant articles.

When employees leave your organization, Schwab can help them evaluate options for their savings in the plan.

A seasoned partner in equity compensation plans

For many companies, equity compensation is a key strategy for attracting and retaining the best employees. To run your stock plan, you need a dedicated partner who understands your business. We offer a full range of administrative services for stock options, restricted stock, stock appreciation rights, performance shares and employee stock purchase plans.

More time to focus on strategic issues

Outsourcing your stock plan's administration lets you focus on company strategy. With collaborative administration, supported by EquiView™, our groundbreaking Web-based recordkeeping system, you can:

- Outsource financial reporting, plan administration, participant servicing and other activities to a trusted provider.
- Customize the degree and level of outsourcing to maintain control where you want it.
- Use online tools to calculate taxes payable, trace grant acceptance and more.

Insight to remain ahead of the industry

We keep you up to date on regulatory changes affecting benefit plans with:

- A dedicated reporting system, Schwab Section 16 Center™, that covers legal filings required by the SEC.
- Sarbanes-Oxley compliance expertise and a stock-option expensing solution that helps you to comply with FAS 123R.
- A corporate disbursement account which enables settlement and audit tracking.

Global services, local feel

For global companies, solutions with both a domestic and an international reach help connect your employees with their stock benefits. These include:

- Print materials, Web sites and electronic tools in multiple languages.
- Live and recorded Webcasts that are accessible all around the globe.
- Award-winning education that recognizes the unique needs of internationally based employees.

What Schwab brings to your equity compensation plan

- Staff of dedicated equity compensation professionals
- Expertise in crafting effective communications and education programs tailored to your plan
- Service-level commitments that are put into writing
- Performance metrics reported to you on a regular basis
- 24/7 online support

EquiView™, our Web-based recordkeeping system, lets you access an array of outsourcing options.

Financial services for your employees beyond the workplace

A growing number of companies recognize that employees intuitively measure the value of their jobs in a total rewards framework that includes not only compensation but a host of other factors, such as the work environment and help with personal finances.

With our varied range of services, Schwab is an ideal partner for maximizing rewards to your employees. Our core mission is to help people throughout their lives, inside and outside the workplace, before and after retirement. Harness our capabilities in personal investment services to enrich your employees' benefit plans by giving them access to valuable financial services.

Personalized help and guidance

Our seasoned financial consultants offer one-on-one investment guidance and portfolio planning to your employees—anything from answering a single question to managing an overall portfolio.

Brokerage services

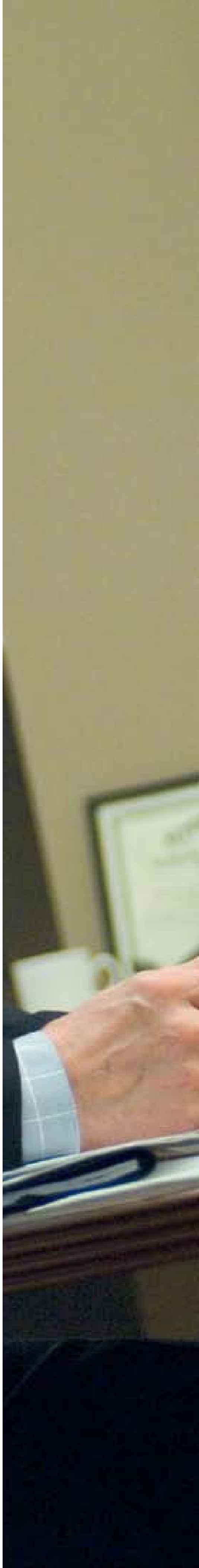
- Self-directed accounts, with in-depth support from our financial consultants if desired.
- Full-service management of assets outside the retirement plan for qualified employees at no charge.
- The Schwab Advantage Program™[11]:
  - A complimentary consultation for every brokerage client
  - Lowest published commissions on equity trades
  - Full year of automatic program-fee rebates on Schwab Managed Portfolios™
  - Financial news and investment research

Banking services[12]

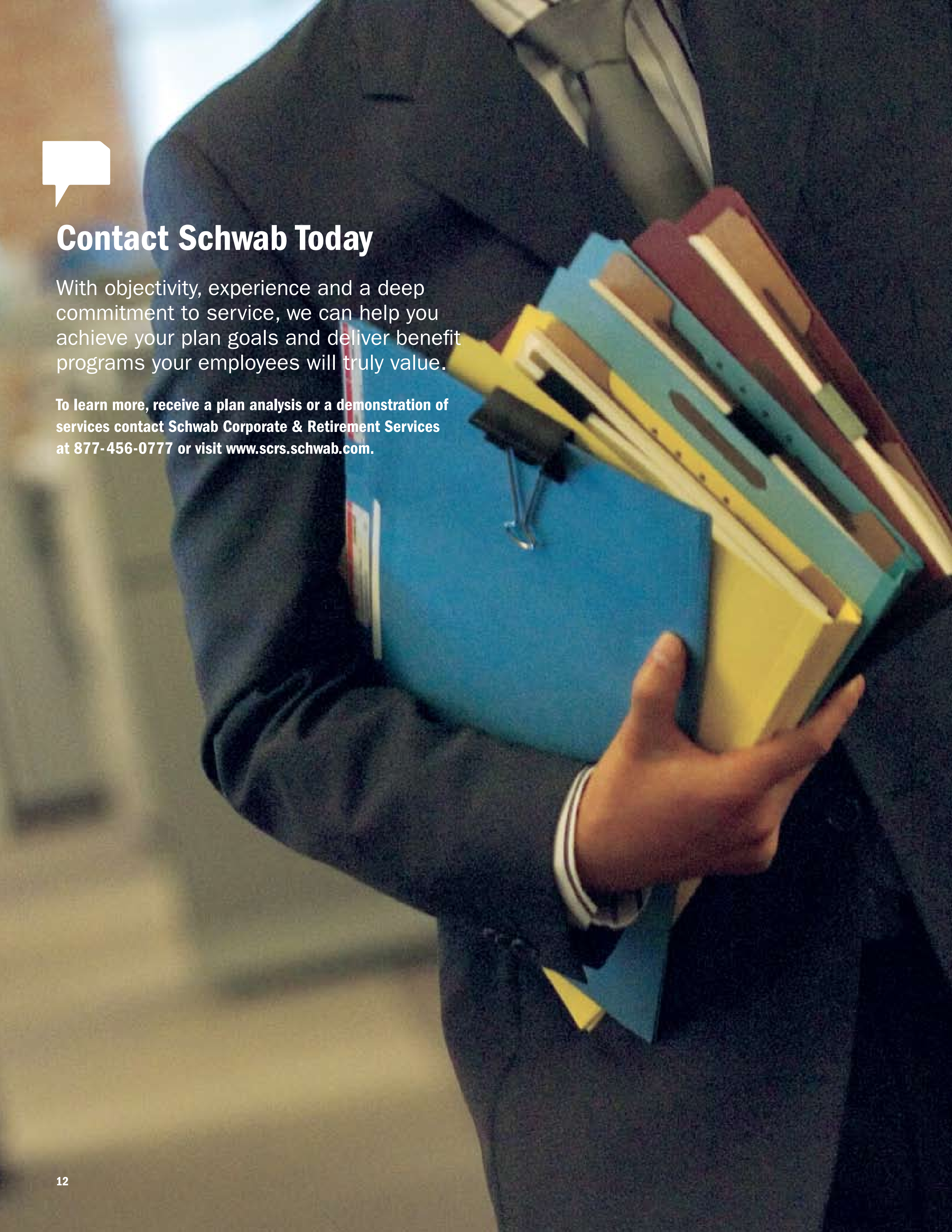
- Premier personal-banking services through Schwab Bank:
  - High-yield checking account[13]
  - Visa® credit card[14] that directs cash back to the account holder
  - Rebated ATM fees worldwide
  - Competitively priced lending solutions

After retirement

Schwab is also ready to help your employees after they retire, with investment products designed to generate a steady, monthly stream of income, and professionally managed to balance the goals of income, growth and total return.



At Schwab, your employees receive exceptional value—low commissions, no account service fees, great cash rates with low fund fees and access to more than 2000 no-load, no-transaction fee mutual funds.



Contact Schwab Today

With objectivity, experience and a deep commitment to service, we can help you achieve your plan goals and deliver benefit programs your employees will truly value.

To learn more, receive a plan analysis or a demonstration of services contact Schwab Corporate & Retirement Services at 877-456-0777 or visit www.scrs.schwab.com.

[1] Schwab Personal Retirement Planning™ investment advice is formulated and provided by GuidedChoice Asset Management, Inc. ("GuidedChoice"). GuidedChoice is not affiliated with, nor is it an employee or agent of, Charles Schwab & Co., Inc. ("CS&Co.") or Schwab Retirement Plan Services, Inc. ("SRPS"). The GuidedChoice service is available to participants enrolled in plans that use the recordkeeping and related services of SRPS. Availability is subject to regulatory requirements. Plan sponsors must elect to make the GuidedChoice service available. Participant access to the GuidedChoice service is facilitated through SRPS's affiliate, CS&Co. Neither CS&Co. nor SRPS supervises, makes recommendations with respect to, or takes responsibility for monitoring the advice provided to participants by GuidedChoice.

[2] Refer to www.schwab.com/guarantee for more details on the security guarantee.

[3] Harris Interactive 2006 Annual Reputation Quotient (RQ) Study.

[4] $1.4 trillion of client assets under total firm, $241 billion of client assets under management in mutual funds, and $583 billion of client assets under Schwab Institutional; all as of 12/31/2007 Schwab Earnings Release. Schwab Retirement Plan Services growth rate and industry growth rate as measured by compound annual growth rate of client assets. Sources: Cerulli Associates Quantitative Update—Retirement Markets, 2007, and Schwab Financials, 2003–2007.

[5] Barron's, May 12, 2008.

[6] Schwab financials, March 31, 2008.

[7] The Schwab Managed Retirement Trust Funds™, the Schwab Institutional Trust Funds®, and the Charles Schwab Stable Value Fund™ are collective trust funds distributed by The Charles Schwab Trust Company ("CSTC"), a California state-chartered, non-depository trust company. CSTC acts as trustee and manager of the Funds. The Funds are not mutual funds, and their units are not registered under the 1933 Act, as amended or applicable securities laws of any state or other jurisdiction. The Funds are not registered under the Investment Company Act of 1940, as amended, or other applicable law, and unit holders are not entitled to the protections of the 1940 Act. The Funds are not insured by CSTC, any of its affiliates, the FDIC or any other person. As defined in the Funds' Declaration of Trust and Participation Agreement documents, the Funds are available for investment by eligible, qualified retirement plan trusts only. The unit value of the Funds will fluctuate, and investors may lose money. Various asset classes of the underlying funds, such as small-cap and international, may carry additional risks.

[8] Schwab can support custom model portfolios created and managed by the investment advisor for the plan.

[9] The Schwab Personal Choice Retirement Account® (PCRA) is offered through Charles Schwab & Co., Inc., a registered broker-dealer which also provides other brokerage and custody services to its customers. The 401(k) Company provides recordkeeping and related services with respect to retirement plans.

[10] The testimonials may not be representative of the experience of other clients and is not indicative of future performance or success.

[11] To qualify for the Schwab Advantage Program™ (SAP), an individual must be (1) a participant in a plan for which Schwab Retirement Plan Services, Inc. (SRPS) is recordkeeper and Charles Schwab Trust Company (CSTC), a division of Charles Schwab Bank, is trustee or custodian; or (2) a participant in a plan for which The 401(k) Company is recordkeeper; or (3) a participant of a plan that is record kept by one of Schwab Plan Administrator Services' (PAS) Third Party Administrator business partners who have agreed to offer SAP; or (4) an employee of a company that uses the Schwab Personal Choice Retirement Account (PCRA) product where the company has agreed to offer SAP; or (5) a participant of an equity compensation plan which has been identified by the Stock Plan Services (SPS) business as SAP-eligible, and has a total retail household balance of at least $25,000; or (6) an account holder of a Corporate Brokerage Services (CBS) account which has been identified by the CBS business as SAP-eligible. The Schwab Advantage Program pricing and benefits are extended to the entire household of U.S.-domiciled, dollar-based accounts held by Schwab Investment Services based on household definition. *Please see the Charles Schwab Pricing Guide for Individual Investors on Schwab.com for information about householding guidelines. This offer does not apply to brokerage accounts held with independent investment advisors at Schwab and is subject to plan sponsor or employer as applicable. There may be certain benefits, services and discounts made available to clients through Charles Schwab & Co., Inc., Schwab Bank and their affiliates that are not available to every Schwab Advantage Program account due to regulatory and household asset requirements. The features and benefits of this program are subject to change. The Schwab Advantage Program is available whether or not you contribute to your company's plan. If your employer terminates its relationship with Schwab Retirement Plan Services or The 401(k) Company and/or CSTC, no further enrollment will be allowed in the program. However, if you are already enrolled in SAP, your benefits will continue for as long as you maintain an active retail brokerage account with Charles Schwab & Co., Inc. If you change jobs or retire, you can continue to receive the benefits associated with the Schwab Advantage Program if you roll over your retirement account directly into a Schwab Rollover IRA account. A participant or eligible employee who is a retirement plan fiduciary may wish to consult with legal counsel with respect to the establishment of a Charles Schwab & Co., Inc. Schwab Advantage Program brokerage account.

* Assets in company-sponsored retirement plans and in other plans serviced by Schwab Retirement Plan Services, The 401(k) Company and CSTC, such as PCRA self-directed brokerage accounts, are not eligible to be included in the household definition. The Schwab Managed Portfolios™ annual fee rebate applies to any SAP participant enrolling in the Schwab Managed Portfolios program on or after 4/1/2008 and is effective for one year following the date of account establishment. Existing participants enrolled in the Schwab Managed Portfolios program on or before 3/31/2008 will continue to receive the annual fee discount pricing then in effect. Please read Schwab's Schedule H brochure for important information and disclosures relating to Schwab Managed Account Services.™ Schwab Managed Portfolios requires a minimum investment of $25,000 for IRAs and a minimum investment of $50,000 for all other account types.

[12] Charles Schwab Bank and Charles Schwab & Co., Inc. are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation. Brokerage products are offered by Charles Schwab & Co., Inc., does not solicit, offer, endorse, negotiate or originate any mortgage loan products and is neither a licensed mortgage broker nor a licensed mortgage lender. Deposit and lending products, including all mortgage loans, are offered and provided by Charles Schwab Bank, member FDIC and an Equal Housing Lender. Charles Schwab Bank is not acting or registered as a securities broker-dealer or investment advisor.

[13] Schwab Bank High Yield Investor Checking™ accounts are available only as linked accounts with Schwab One® accounts. The Schwab One brokerage account has no minimum balance requirements, and there is no requirement to fund this account when it is opened with a linked High Yield Checking account.

[14] The Charles Schwab Bank Visa® credit card is issued and administered by FIA Card Services, N.A.

The Charles Schwab Corporation ("Charles Schwab") provides services to retirement and other benefit plans and participants through its separate but affiliated companies and subsidiaries: Schwab Retirement Plan Services, Inc.; The 401(k) Company and its subsidiaries; Charles Schwab Trust Company; and Charles Schwab & Co., Inc. Charles Schwab also provides equity compensation plan services and other financial and retirement services to corporations and executives through Charles Schwab & Co., Inc.