

2. Schwab Products & Services.

You do not purchase Schwab Products & Services from us and resell them to Independent Branch Clients. All Independent Branch Clients are Schwab Clients. All Independent Branch Clients must maintain their accounts at Schwab and buy and sell securities and investment products through Schwab.

You will provide Non-Discretionary Investment Advice to help Independent Branch Clients with their investment decisions, process certain paperwork to complete brokerage transactions, and assist Independent Branch Clients buy, hold and sell Schwab Products & Services. Schwab is the custodian of the assets held in the accounts of Independent Branch Clients and is the clearing firm for all brokerage transactions.

You must conduct all business with Independent Branch Clients through us and that business must be limited to handling brokerage transactions for Schwab Products & Services. We prohibit you from offering or selling any other securities, investments or other types of products or services. We may modify the list of approved Schwab Products & Services and the prices that we charge Schwab Clients at any time in our sole discretion and will notify you of changes through updates to the Confidential Manuals. These changes will take effect immediately unless we specify a different implementation date.

Certain Schwab Products & Services are proprietary and exclusively offered by us or our affiliates. Other Schwab Products & Services are not proprietary to Schwab in that the investment security, product or service is issued or managed by another financial services firm and we are just one broker-dealer among many through whom a client could purchase that security, product, or service. In some cases, Schwab Products & Services that are not proprietary to Schwab may be proprietary to the other financial services firms. As our IBL, you may only handle brokerage transactions for Schwab Products & Services whether they are proprietary to Schwab or not.

Schwab Products & Services include discretionary asset management services through third parties and our affiliates. However, you may only provide Non-Discretionary Investment Advice to Independent Branch Clients, meaning that you will not control or manage the accounts of Independent Branch Clients, provide investment supervisory services to Independent Branch Clients, or otherwise make investment decisions for Independent Branch Clients. When recommending an affiliated or third-party money manager to an Independent Branch Client (for example, a managed account), you will be acting as an investment adviser representative and are subject to federal and state law fiduciary requirements that you act in the best interest of the Independent Branch Client. The investment advisory services that you will perform will relate solely to recommending that an Independent Branch Client purchase one of the investment advisory services available to Schwab Clients, like opening a managed account. We list investment advisory services in Item 19, Table 2.A. If you recommend a managed account, for example, the affiliated or independent third-party money manager will provide the investment management services for that account. The investment managers – i.e., persons with the fiduciary obligation and discretion to manage the money of Schwab Clients – are not all affiliated with Schwab and the underlying investments (like mutual funds or ETFs) are not all affiliated Schwab investment products. The majority of the investment advisory services that we list in Item 19, Table 2.A involve independent third-party money managers who are free to select underlying investments that have no relationship to Schwab.

In providing Non-Discretionary Investment Advice relating to securities (for example, buy and sell securities recommendations), you may make specific investment recommendations that you determine are in the best interest for each individual Independent Branch Client consistent with then- current FINRA and SEC rules, other applicable federal and state law requirements, and our client advice policies and best interest guidelines in the Confidential Manuals. You must obtain authorization from Independent Branch Clients before executing any trade or investment decision on their behalf.

3. Independent Branch Premises.

Once we approve the location for your Independent Branch, we will negotiate a Primary Lease with the landlord and offer you a Sublease substantially in the form of **Exhibit G**. The Sublease will be based on generally the same material economic terms of the Primary Lease (to the extent the provisions of the Primary Lease are incorporated into the Sublease). The term of the Sublease may be shorter than the term of the Primary Lease. The term of the Sublease will be concurrent with the initial term of the Franchise Agreement, subject, however, to earlier termination for reasons described in the Sublease and Franchise Agreement. Your right to extend or renew the term of the Sublease will depend on whether (i) we are able to negotiate a longer term with the Primary Landlord of the Independent Branch; (ii) we are awarding new Independent Branch franchises when it is time for you to exercise a renewal option; and (iii) you are qualified to and elect to renew the Franchise Agreement and meet the renewal conditions.

Before your Independent Branch is ready to open for business, we will use commercially reasonable efforts to complete any necessary leasehold improvements and fully furnish, equip and decorate your Independent Branch and install required signs and the Schwab Technology System.

4. Schwab Technology System.

As discussed in footnote 4 in Item 6, you must use the Schwab Technology System in the manner that we require subject to the conditions in the Franchise Agreement. You may not use any other software, hardware or technology services to operate the Independent Branch. If you need additional workstations in the Independent Branch, we will purchase and coordinate installation of the new workstation for you. For each additional workstation, the Branch Hardware and Connectivity Fee increases by approximately \$100 per month. This covers the expense of hardware, maintenance, and upgrades. However, you will be responsible for any installation costs.

5. Business Licenses.

You must procure all necessary business licenses, permits and certificates. You are solely responsible to the designated vendor or government agency for the cost of the licensing or registration fees to obtain the business licenses, permits and or certificates. It is your responsibility to maintain current business licenses, permits, and certificates.

6. Insurance.

In exchange for your payment of the Insurance Fee, we provide you with minimum E&O coverage which we secure through third-party insurance carriers. We do not represent or warrant that the minimum coverage that you purchase through us will be sufficient for the Independent Branch. You are solely responsible for investigating your insurance needs and determining if the Independent Branch requires higher coverage limits or other types of insurance protection.

While we purchase E&O insurance on a group basis, you must acquire all insurance as we prescribe in the Confidential Manuals (currently the coverage described below) on your own and at your own expense. The requirements for the current minimum insurance coverage you must purchase, which are included within the Sublease (Exhibit G to the FDD) and the Confidential Manuals, are outlined below. The minimum insurance coverage must remain in effect at all times during the Term, as may be extended and as otherwise provided below. You must purchase required insurance from insurers maintaining an A.M. Best's rating of A-VII or better and must include coverage for the Activation Branch, if applicable. In addition, you must provide Certificates of Insurance evidencing the required insurance coverages and limits, and reflecting the waiver of subrogation, primary and non-contributing coverage and additional insured requirements before the effective date of the Sublease and upon request by us.

- Workers Compensation and Employers Liability insurance provides insurance for employee injuries/illness occurring in the course of their job duties.
 - Minimum Limits:
 - a. Workers Compensation – as required by state law, providing benefits as required by applicable laws and statutes
 - b. Employers Liability – limit of not less than \$1,000,000 each accident, including occupational disease coverage
 - Conditions:
 - a. Waiver of Subrogation in favor of Schwab and all of its affiliates and their respective agents, officers, directors, employees and assigns
- Commercial General Liability insurance -provides protection for third party claims for bodily injury, death and property damage caused by IBL or IB employee's negligence.
 - Minimum Limits:
 - a. GL Each Occurrence: \$2,000,000
 - b. GL General Aggregate: \$4,000,000
 - c. Damage to Premises Rented to you: \$1,000,000
 - d. Medical Expense: \$5,000
 - Conditions:
 - a. Waiver of Subrogation in favor of Schwab and all of its affiliates and their respective agents, officers, directors, employees and assigns
 - b. Additional Insured language adding Charles Schwab Corporation and all direct and indirect subsidiaries and their agents, officers, directors, employees and assigns
 - c. Primary/Non-Contributory language stating the IBL's insurance will be primary and not seek contribution of Schwab's insurance
 - d. Policy must be maintained throughout the Term and for a period of two years thereafter
- Owned and Non-Owned Commercial Automobile Liability - provides liability (but not, physical damage) protection for vehicles rented for business use or for excess liability for your employees driving their own vehicles for your business
 - a. Minimum Coverage - \$1,000,000 per occurrence combined single limit of liability for bodily injury, death, and property damage

- b. Coverage can be provided by an endorsement on the Commercial General Liability policy
- Property and Business Income - protects personal property owned by IBL located in the Independent Branch and protection for loss of net income in the event of a physical event interrupting business. A special form cause of loss ("**all risk coverage**") insuring against direct physical loss or damage to the IBL's personal property. Property insurance will include coverage for business interruption or loss of income with coverage of at least \$5,000 personal property and business income for at least 12 months loss of income.
- ERISA Bond (required if there is a 401(k) or retirement plan for IBL and IB Employees) - protects the retirement plan from employee dishonesty. The premium is based on assets in the plan.
- Optional Insurance (additional expense):
 - Umbrella - extends the liability limit of the general liability, hired auto and non-owned liability and employer's liability (part of workers compensation) coverage. The premium is based on the amount of limits purchased.

We may periodically increase the minimum insurance requirements, establish and change deductible limits, and require that you procure and maintain additional forms of insurance based upon inflation, general industry standards, our experience with claims, or for other commercially reasonable reasons. You must comply with any change that we impose within 30 days after receiving written notice from us explaining the change.

You are solely responsible for all expenses, obligations and liabilities arising from activities at your Independent Branch and for your acts and omissions and those of your employees and you must indemnify us if we are liable to third parties based on those activities, acts or omissions.

7. Recommended Vendors.

We may recommend third party vendors providing various services that you may wish to consider using in operating your Independent Branch including payroll processing services and various insurance products (e.g., other liability, health, and disability). However, because we will maintain the branch premises (as noted below), we or the Primary Landlord will select and control the vendor relationships related to the premises. Except as we disclose in Item 8, we do not (i) require you to use the vendors whom we recommend; (ii) require that you obtain our approval before selecting a different vendor for any of these services; or (iii) represent that the vendors whom we recommend will offer you more favorable terms or better prices than you might be able to secure on your own. We derive no revenue on account of your transactions with the vendors we bring to your attention.

8. Additional Equipment or Furnishings.

You may not equip the branch with any non-standard office equipment or furnishings. However, if you require any other non-computing office equipment or furnishings to comply with your obligations to comply with Applicable Law, including the Americans with Disabilities Act, you must purchase the items at your own expense. Before making the purchase, you must obtain our prior written approval to use the particular non-computing office equipment or furnishings. If we grant our approval, you may purchase the particular items meeting our specifications from any vendor of your own choosing. The Confidential Manuals provide the procedure for applying for our approval.

9. Revenue from Required Purchases and Leases.

We will derive revenue from your required purchases and leases of products and services in the form of fees that you must pay to us or our affiliates (which fees are described in Item 6, above). During 2024, we derived approximately \$4,296,748 in revenue from IBLs' purchases and leases of products and services, which represented less than 1% of our total net revenues of \$14,908,000,000 (before net revenue adjustments as described in note 1 in our 2024 audited financial statements). The revenue figures above are inclusive of approximately \$29,000,000 in fee credits we voluntarily granted to IBLs during 2024. You will receive fee credits so long as we continue the fee credit program.

We will also derive revenue based on trading activities by Independent Branch Clients who will maintain their accounts at Schwab and buy and sell securities and investment products through Schwab. We establish the prices that Independent Branch Clients pay for the Schwab Products & Services they buy, hold or sell. Item 6 explains how we deduct your Sublease Rent, Facilities Fee and Branch Hardware and Connectivity Service Fee, among other offsets, in arriving at your Net Payout.

10. Additional Disclosures.

We estimate that your purchases or leases from approved vendors (including us and our affiliates) or in accordance with our specifications will represent 95% or more of your total purchases and leases to establish your Independent Branch and, afterwards, approximately 95% or more of your total monthly purchases and leases to operate your Independent Branch.

Each of our officers may own an equity interest in CSC, including in the form of shares of common stock, restricted stock, non-qualified employee stock options, phantom stock units or units in CSC 401(k) Common Stock Fund.

Our officers may own a non-controlling interest in the stock of designated or recommended vendors whose shares are publicly traded.

With the exception of E&O insurance, we do not currently maintain or approve any purchasing or distribution cooperatives as part of the Schwab System.

Item 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this franchise disclosure document.

	Obligation	Section in Franchise Agreement (Exhibit C)	Franchise Disclosure Document Item
a	Site selection and acquisition/lease	Sections V.A, V.B, V.C	Items 6 and 11
b	Pre-opening purchases/leases	Section V.B, V.C	Items 7 and 8
c	Site development and other pre-opening requirements	Section V.B, V.C	Items 6, 7 and 11
d	Initial and ongoing training	Sections VI, XII.B	Item 11
e	Opening	Section V.D	Item 11
f	Fees	Sections III, VII.C, VII.E, VII.F, VII.G	Items 5 and 6

	Obligation	Section in Franchise Agreement (Exhibit C)	Franchise Disclosure Document Item
g	Compliance with standards and policies/operating manual	Sections IX, X, XIII.L	Item 11
h	Trademarks and proprietary information	Sections VIII, XIV.G	Items 13 and 14
i	Restrictions on products/services offered	Sections II.C, XIV.D	Item 16
j	Warranty and customer service requirements	Section XIV	Item 11
k	Territorial development and sales quotas	Section II.B	Items 1 and 12
l	Ongoing product/service purchases	Sections XIII.B, XIII.I	Item 8
m	Maintenance, appearance and remodeling requirements	Sections XII.D, XIV.I	Items 7 and 11
n	Insurance	Section XIII.K	Items 6, 7 and 8
o	Advertising	Section XII	Item 11
p	Indemnification	Sections XX VIII.C,	Items 6 and 17
q	Owner's participation/management/staffing	Sections XIV.H XIV.A,	Items 11 and 15
r	Records and reports	Section XII	Item 6
s	Inspections and audits	Section XII.B	Item 11
t	Transfer	Sections XIX.E XIX.C,	Item 17
u	Renewal	Section IV	Item 17
v	Post-termination obligations	Section XVIII.C	Item 17
w	Non-competition covenants	Section XV	Item 17
x	Dispute resolution	Section XXI	Item 17

Item 10 FINANCING

We do not offer any financing arrangements to assist you in purchasing the Independent Branch franchise or in opening or operating your Independent Branch, except as described below.

We will enter into the Primary Lease for the Independent Branch and agree to sublease the Independent Branch premises on generally the same material economic terms and conditions (see footnote 2 in Item 6), but we do not guarantee any loans, leases or obligations that you enter into with third parties. The term of the Sublease may be shorter than the term of the Primary Lease.

We have entered into a non-exclusive Loan Support Program Agreement with Live Oak Banking Company (“**Live Oak**”), which is an unaffiliated third-party lender authorized to provide loans to transferee franchisees for the purpose of meeting expenses related to the transfer, including updating IBL’s Independent Branch to Schwab’s then-current Appearance and Imaging Standards. Under this agreement, Live Oak may offer commercial loans to qualified borrowers, and we will guaranty the Live Oak loan, to those of our franchisees that both we and Live Oak deem qualified and choose to use Live Oak to finance the cost of purchasing an existing Independent Branch. We are not obligated to approve your participation in the Live Oak loan program, even if Live Oak approves you as a borrower.

At this time, we only intend to guaranty Live Oak loans for the purchase (transfer) of an existing Independent Branch.

Interest rates are fixed and are determined at Live Oak's discretion in accordance with its standard underwriting practices. You are not required to use Live Oak as your lender, but we will only guaranty loans entered into in connection with the Live Oak Loan Support Program. If you choose to use Live Oak as your lender, you must enter into one or more agreements with Live Oak, substantially in the form attached as Exhibit L or as Live Oak may otherwise require depending on your specific financing agreement (the "**Live Oak Loan Documents**").

If you default on the financing agreement, the entire remaining balance becomes due, and the total sum due will continue to accrue interest as provided in the Live Oak Loan Documents. You must also pay Live Oak all the costs of collection or costs of exercising its remedies, including attorneys' fees. You must waive your right to object to jurisdiction in the courts of North Carolina as the venue for resolution of disputes and must waive your right to a trial by jury. See the sample documents in Exhibit L for Live Oak's additional rights and remedies. Your default under a loan that we guaranty will also constitute a default under your Franchise Agreement and can lead to termination of your Franchise Agreement and loss of your Independent Branch. Schwab has the right (but not the obligation) to terminate the Franchise Agreement, effective immediately upon Schwab's delivery of written notice to the IBL, if Schwab receives from Lender a notice (or is otherwise made aware) that the IBL has failed to timely cure a monetary Event of Default or a non-monetary Event of Default (as that term is defined in the Loan Documents).

We do not receive any payment or consideration from Live Oak in consideration of this program other than the material benefit of Live Oak providing this program to our franchisees. A Loan Support Fee of \$50,000 will be paid by a qualified borrower to Schwab at closing, pursuant to the Consent to Transfer and Release Agreement (Exhibit M). The Loan Support Fee is only applicable to the initial round of financing.

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

1. Pre-Opening Services.

Before you open your Independent Branch, we provide you with the following services and assistance:

- a. **Site Selection**: Generally, before you sign the Franchise Agreement, we will propose one or more locations for your Independent Branch for your consideration and will review within reason any alternative sites that you wish to propose. The fact that we propose a location does not constitute a representation or warranty that an Independent Branch at that location will be successful or profitable, or that it will meet your specific selection criteria, only that the proposed location meets our demographic requirements and site criteria. You are solely responsible for determining if the location of the Independent Branch will meet your objectives. (Franchise Agreement, Section V.A).
- b. **Lease Support**: If we reach mutual agreement regarding an Approved Location for your Independent Branch, we aim to negotiate a Primary Lease for an initial term of approximately 7 years in most cases and sublease the premises to you on mutually agreed upon terms and conditions and in compliance with the general requirements of the Primary Lease. In some cases, the initial term of the Sublease may be shorter than the initial term of the Primary Lease. (Franchise Agreement, Section V.A).
- c. **Turnkey Development**: Once you and we agree upon the location for your Independent Branch and after you have signed the Franchise Agreement with us, we coordinate the build-out process,

furnish and decorate the premises consistent with our current imaging standards, install the Schwab Technology System, install exterior signs, and deliver you a turnkey Independent Branch (with the exception of office and personal items all of which you furnish at your expense). You reimburse us for our costs by paying us the monthly Facilities Fee. We assume responsibility for obtaining necessary building permits and conforming development to local ordinance and building codes. (Franchise Agreement, V.B).

- d. **Initial Training**: Before the Opening Date, we provide you with the initial training program that we describe in this Item 11. (Franchise Agreement, Section VI.A).
- e. **Schwab Technology System**: We provide you with the Schwab Technology System which we further describe in this Item 11. (Franchise Agreement, Section X).
- f. **Confidential Manuals**: We provide you with electronic access to our secure Intranet website during the term of the Franchise Agreement where you will have access to our Confidential Manuals. The Confidential Manuals contain mandatory policies and procedures, specifications, standards and operating procedures, as well as guidelines to assist you in serving clients. (Franchise Agreement, Section IX). The content of the Confidential Manuals is Schwab Confidential Information. You must keep the content strictly confidential. We may modify the Confidential Manuals at any time without prior notice and the changes will become effective immediately unless we specify a later effective date. (Franchise Agreement, Section IX.B). Consequently, you are responsible for periodically reviewing the Confidential Manuals that we place on the Intranet for any changes. We attach as **Exhibit D** a copy of the Table of Contents of our Confidential Manuals as of the date of this Disclosure Document. The Confidential Manuals currently have approximately 3,479 web pages.
- g. **Opening Marketing Support**. In connection with the Independent Branch's opening, we will develop with you a "**Launch Plan**" to help raise community awareness of the new Independent Branch. The Launch Plan may include marketing activities to promote your Independent Branch while you occupy the Activation Branch if you meet certain requirements, including obtaining your Series 9/10 Licenses and successfully completing all required trainings. To support Activation Branch marketing activities, we will provide 100% reimbursement for the first \$1,000 of submitted and approved marketing expenses. After that, we will reimburse 50% of your submitted and approved marketing expenses, up to a maximum reimbursement of \$3,000 to support activation branch marketing. Most launch marketing activities we plan with you will take place within the first 180 days after the Independent Branch opens. During this Initial Period, we will provide 100% reimbursement for the first \$10,000 of submitted and approved marketing expenses. After that, we will reimburse 50% of the next \$10,000 of submitted and approved marketing expenses during the Initial Period. In effect, you must contribute \$5,000 to receive the maximum \$10,000 contribution from us; you may choose to spend more or less than this amount if desired. Within these limits and, depending on your selection of marketing objectives, channels, and vendors, many of these expenses may be paid directly by us, thereby limiting your "**out-of-pocket**" expenses; however, some expenses will be paid by you and submitted for reimbursement through your Net Payout. You may not carry-forward any unused funds to later periods.

2. **Post-Opening Support.**

During the term of the Franchise Agreement, we provide you with the following services and assistance:

- a. **Seeded Client Assets**: To help you launch your Independent Branch, we may assign to you a limited number of Seeded Clients. (Franchise Agreement, Section VII.B). The dollar amount of

Seeded Client Assets and number of Seeded Clients are in our sole discretion.

- b. **Schwab Products & Services:** You will have the right to offer Schwab Products & Services to Independent Branch Clients subject to current FINRA and SEC rules, other applicable laws, and our advice policies and guidelines and other policies in the Confidential Manuals. (Franchise Agreement, Section XIII.B).
- c. **Client Communications:** We will send all regulatory and service communications, including account statements and trade confirmations, and regular updates regarding new and existing Schwab Products & Services directly to Independent Branch Clients. We provide you with access to these communications through our secure Intranet website. (Franchise Agreement, Section XIII.C).
- d. **OSJ Status:** We will serve as your OSJ until you hold the Series 9/10 Licenses and qualify your branch for registration as an OSJ. However, if you do not hold the Series 9/10 Licenses by the earlier of the Opening Date or 120 days after signing the Franchise Agreement, we will impose the monthly Required Licensing Fee, which will be payable to us beginning in the month in which the day after the Opening Date or the 121st day following the signing of the Franchise Agreement, as applicable, falls and ending in the month you obtain the Series 9/10 Licenses. If you do not hold the Series 9/10 Licenses and qualify your Independent Branch for registration as an OSJ within 6 months after signing the Franchise Agreement, we may either terminate the Franchise Agreement at that time or allow you to continue to operate and, in addition to the Required Licensing Fee, impose the monthly Centralized Supervision Fee for a period of time in our discretion until we terminate the Franchise Agreement or until you hold the Series 9/10 Licenses and qualify your Independent Branch for registration as an OSJ. For purposes of securities law compliance, our compliance oversight includes supervising your brokerage activities remotely and on-site in addition to our general inspection and audit rights under the Franchise Agreement to confirm compliance with all of the terms and conditions of the franchise (including duties that are not regulatory-specific). (Franchise Agreement, Section XIV.D).
- e. **Brokerage, Investment Advisory and Related Services:** We will perform duties as broker-dealer, custodian, and clearing firm for all client accounts and brokerage transactions, and will be responsible for supervising all trading operations relating to the Schwab Products & Services in performing our account agreements with Independent Branch Clients. We also supervise your delivery of investment advisory services. We also act as program sponsor for certain investment advisory services that you may recommend to Independent Branch Clients, like managed accounts. One of the business divisions, Charles Schwab Insurance Services (“CSIS”), supervises your activities if you or your registered employees choose to sell insurance products to Independent Branch Clients. If you do not possess appropriate licenses to sell insurance, you must direct inquiries from Independent Branch Clients regarding insurance products to CSIS which has employees licensed for insurance sales in all states. CSIS does not pay any type of fee or compensation for the referral. (Franchise Agreement, Section XIII.C).
- f. **Client Accounting and Collection Procedures:** We provide back- office, accounting and collection functions for all client accounts. As the broker-dealer on all transactions, applicable laws require that we collect, hold and disperse all client funds in connection with buy and sell transactions that you place for Independent Branch Clients. (Franchise Agreement, Section XIII.C).
- g. **Net Payout Accounting:** By the final business day in the month after the end of each accounting period, which currently is a calendar month, we will present you with a Net Payout reconciliation

statement showing how your Net Payout was calculated, including the Revenue Rates and deductions for the fees payable to us that we disclose in Item 6 for the accounting period. With each reconciliation statement that we provide to you, we will pay you your Net Payout if it is a positive number. (Franchise Agreement, Section XIII.E).

- h. **Ongoing Marketing Support**: We will provide you with the ongoing marketing support and materials that we describe in the Advertising section of this Item 11. Beginning 90 days after the Opening Date, you will be eligible for a Marketing Match whereby we will reimburse 50% of your submitted and approved marketing expenses, up to a maximum reimbursement of \$6,000 per calendar year, prorated for any partial period. Marketing Match expenses must be paid for and applied to marketing activities that occur within the corresponding calendar year to be eligible for reimbursement. You may not carry-forward any unused funds to later periods. (Franchise Agreement, Section XII.B).
- i. **Investment Research, Tools and Models**: As part of the franchise, you will have access to our broker-dealer investment research, tools, and models (including asset allocation models) and client investment strategies with our franchisees. However, you remain solely responsible for evaluating the investment objectives and client investment profile for each client and for making investment recommendations per the client's best interest in accordance with our advice policies and guidelines and applicable FINRA rules and federal and state laws. (Franchise Agreement, Section XIV.A).
- j. **Network Meetings**: We may conduct periodic Network Meetings either on a national, regional or local basis in our discretion at which we may discuss a range of issues of common interest to franchisees and their employees including regulatory compliance training; new Schwab Products & Services; new software applications and other features of the Schwab Technology System; client recruitment and retention strategies; sales presentation methods; local marketing; and other features of the Schwab System. We may make attendance by franchisees and their employees mandatory at the particular Network Meetings that we designate, but will not require that you and your employees attend more than an aggregate total of 4 days of Network Meetings per year. At our discretion, we may choose to schedule Network Meetings as multi-day or single-day events. We may vary the Network Meeting locations but anticipate that all Network Meetings will take place in the United States. Additionally, some network meetings may be held virtually. We may charge a per person registration fee to attend Network Meetings. Additionally, you are responsible for all travel costs for yourself and your employees to attend Network Meetings and mandatory regulatory compliance training classes. (Franchise Agreement, Section XIII.G).
- k. **Seminars and Other Additional Training After Opening**: In addition to our initial training program, which we periodically repeat on an as-needed basis, and training courses that we offer at Network Meetings, we may host, or offer, seminars and additional training programs on select topics to enhance professional skills or to provide instruction in newly introduced features of the Schwab System. In some cases, additional training programs may be taught by a third party. For live instructor-led programs, we will designate the location for these programs, which will vary depending on whether we or a third party conducts the seminar or training program. We may require that you reimburse us for our costs related to such programs.

We will also deliver ongoing training through webinars or our learning management system ("**LMS**"). All Independent Branch employees (both registered employees and non-registered employees) must complete a certain amount of regulatory compliance training each year which we will deliver for free electronically, through webinars and our LMS system. We require that you and your staff who render services from your Independent Branch each complete a minimum number of computer-