

To the Employer:

- **A photocopy of the Adoption Agreement MUST be attached to each Schwab SEP-IRA Participant Account Application when submitting paperwork to Schwab.**
- **Keep a copy in your files and return the original with your**
 - **Employer's Agreement (original), and**
 - **Account Application (original).**
- **If you choose to adopt an IRS 5305 plan instead of the Schwab SEP-IRA, return a completed IRS Form 5305-SEP (instead of this Adoption Agreement) along with an Employer's Agreement (original) and Account Application.**

Investment Manager "IM" Information (This portion to be completed by IM.)

IM Firm Name (please print) _____

IM Master Account Number _____ ISG Team _____

1. Information About Your Business *(Please complete all sections below. For information about Schwab's privacy policy, see Section 5.)*

Name of Employer (Business name) _____

Street Address (No P.O. boxes please) _____ City _____ State _____ Zip Code _____

Business Telephone Number _____ Income Tax Year End _____ Plan Year End _____ Employer's Federal Tax Identification Number _____

2. Effective Date *(Check and complete Option A or B.)*

Option A: Initial Adoption

- This is the initial adoption of a Simplified Employee Pension Plan by the Employer.
- The Effective Date of this Plan is _____, _____.
- (month/day) (year)

Option B: Amendment and Restatement

- This is an amendment and restatement of an existing Simplified Employee Pension plan (a Prior Plan).
- The Prior Plan was initially effective on _____, _____.
- (month/day) (year)
- The Effective Date of this amendment and restatement is January 1, _____.

NOTE: *The Effective Date is usually the first day of the Plan Year in which this Adoption Agreement is signed.*

3. Eligibility Requirements *(Complete Parts A, B and C.)*

Part A. Service Requirement:

An employee will be eligible to become a Participant in the Plan after having performed Service for the Employer during at least _____ (enter 0, 1, 2 or 3) of the immediately preceding five Plan Years.

NOTE: *If left blank, the Service Requirement will be deemed to be 0.*

Part B. Age Requirement:

An employee will be eligible to become a Participant in the Plan after attaining age _____ (no more than 21).

NOTE: *If left blank, it will be deemed there is no age requirement for eligibility.*

Note: Schwab does not accept SEP-IRA accounts for participants under 18 years of age.

Part C. Exclusion of Certain Classes of Employees:

All employees will be eligible to become Participants in the Plan except (check all that apply):

- Employees covered by a collective bargaining agreement and nonresident aliens, as described in Section 3.02 of the Plan.
- Employees who have received less than \$450 (indexed for cost-of-living increases in accordance with Section 408(k)(8) of the Code) of Compensation from the Employer during the Plan Year.

(Please turn to next page.)

For Charles Schwab Use Only

Print Name of Approver _____ Signature _____

Index Code _____ Date Approved _____ Account Number _____

(mm/dd/yy)

4. Employer Contribution and Allocation Formulas

Part A. Contribution Formula:

For each Plan Year the Employer will contribute an amount to be determined from year to year.

Part B. Allocation Formula (check Option 1, 2 or 3):

Option 1: **Pro Rata Formula.** The Employer Contribution for each Plan Year shall be allocated in the manner described in Section 4.01(A) of the Plan.

Option 2: **Flat Dollar Formula.** The Employer Contribution for each Plan Year allocated to the IRAs of Participants shall be the same dollar amount for each Participant.

Option 3: **Integrated Formula.** Employer Contribution shall be allocated in the manner described in Section 4.01(B) of the Plan. For purposes of the integrated formula, the integration level shall be (choose one):

The Taxable Wage Base (TWB)

_____% of the TWB

NOTE: If no box is checked, the integration level shall be the Taxable Wage Base.

Part C. Retirement Savings Contributions:

Check here and complete Part C only if a salary deferral arrangement is desired.

NOTE: Part C may not be used to establish new Salary Deferral SEP plans on or after January 1, 1997. You may, however, amend and restate a plan that was in existence prior to January 1, 1997.

Option 1: **Payroll Deduction Option.** A Contributing Participant may elect under a Retirement Savings Agreement to have his or her Compensation reduced each pay period by an amount not in excess of \$_____ or _____% of Compensation.

Option 2: **Cash Bonus Option.** A Contributing Participant may base Retirement Savings Contributions on bonuses that, at the Contributing Participant's election, may be contributed to an IRA under the Plan or received by the Contributing Participant in cash.

5. Employer Signature

Note to Employer: Before signing this Adoption Agreement, it is advised that you obtain the advice of a qualified attorney and/or tax advisor regarding its completion and the legal and tax implications of adopting this Plan.

Print Name _____

Title _____

Date _____

(mm/dd/yy)

Authorized Signature: Employer

Charles Schwab & Co., Inc.

101 Montgomery Street

San Francisco

CA

94104

1-800-435-4000

Name of Prototype Sponsor

Street Address

City

State

Zip Code

Telephone Number

Permissible Investments

The assets of the Plan shall be invested only in those investments available from time to time through Charles Schwab & Co., Inc. in the ordinary course of its business that may legally be held in an IRA, provided that no investment in insurance policies or contracts or securities issued by the Employer shall be permitted.

Schwab's Privacy Policy

Schwab respects your privacy. Schwab will use the information you provide to open and service your account, to communicate with you when necessary, to provide you with additional information about products and services and to provide your IM and his/her designees with information as provided in this Adoption Agreement. Please call Schwab at 1-800-515-2157 for a copy of Schwab's privacy policy.