

SETTLEMENT AGREEMENT

Between Kit Lau And Charles Schwab & Co., Inc.

This Settlement Agreement (hereinafter "Settlement Agreement") and the related and incorporated document entitled Confidential Addendum to Settlement Agreement (collectively referred to herein as the "Full Agreement") are entered into as of the Effective Date by and between Kit Lau (Claimant) and Charles Schwab & Co., Inc. ("SCHWAB"). Claimant and SCHWAB are at times referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

The Full Agreement is based on the following facts:

- A.** Claimant is a person with a visual impairment and a long-time customer of SCHWAB. Claimant is a resident of California.
- B.** SCHWAB is a securities broker-dealer providing financial services to individuals and institutional clients. SCHWAB operates a website that is available to the public at schwab.com and is referred to herein as the Schwab.com Public Site. SCHWAB also operates a web site that is available only to Schwab clients, referred to herein as the Schwab.com Client Site. This site is available after logging in from the schwab.com home page. After logging in, the principle url of the client-side website is www.client.schwab.com.
- C.** In December 2010, the Parties agreed to enter into Structured Negotiations in connection with claims raised by Claimant concerning accessibility barriers on the Schwab.com Client Site. Since that time, the Parties have worked together in good faith to resolve those claims.
- D.** The Parties enter into the Full Agreement in order to resolve Claimant's claims and to avoid the burden, expense, and risk of potential litigation. In entering into the Full Agreement, SCHWAB does not admit, and specifically denies, that it has violated or failed to comply with any provisions of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101, et seq., the title III implementing regulations, 28 C.F.R., Part 36, and any applicable laws of any state relating to accessibility for persons with disabilities to public accommodations, any regulations or guidelines promulgated pursuant to those statutes, or any other applicable laws, regulations, or legal requirements. Neither the Full Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by SCHWAB of any such violation or failure to comply with any applicable law. Neither the Full Agreement nor any of its terms or provisions shall be offered or received as evidence for any purpose whatsoever against SCHWAB in any action or proceeding, other than a proceeding to enforce the terms of the Full Agreement.

NOW, THEREFORE, the Parties hereby agree to the following provisions:

1. Definitions.

As used in the Full Agreement, the following terms shall be as defined below:

- 1.1** Access Laws means the Americans with Disabilities Act and any applicable laws of any state, county or municipality relating to accessibility for persons with disabilities to places of public accommodation, any regulations or guidelines promulgated pursuant to those statutes, or any other applicable disability laws, regulations, or legal requirements, including, without limitation, California Civil Code §§ 51, et seq. and 54, et seq.
- 1.2** Access Standard means the standard for web accessibility as defined in Section 3.1 of this Settlement Agreement.
- 1.3** Counsel means The Law Office of Lainey Feingold.
- 1.4** Effective Date means October 20, 2011.
- 1.5** Schwab.com Client Site means the home page of the Schwab.com Public Site and all pages, content and services available from the individual investor client center [client.schwab.com] to which clients are directed after they log-in. Schwab.com Client Site does not include the Schwab.com Public Site (except for the homepage), any website that SCHWAB does not operate or control, or any webpage that does not contain the URL client.schwab.com.
- 1.6** Schwab.com Public Site means the set of public facing pages that can be accessed by any web user, even if the user does not have a SCHWAB account. The Schwab.com Public Site is designed to provide potential clients with an overview of SCHWAB's product and service offerings. Account-specific and transactional capabilities are in the Schwab.com Client Site.
- 1.7** Third-Party Content means web content that is not developed or owned by SCHWAB.

2. Duration of Settlement Agreement.

The terms of the Full Agreement shall remain in effect from the Effective Date until December 31, 2013.

3. Provisions Regarding Accessibility of the Schwab.com Client Site.

- 3.1 Access Standard.** Except as otherwise provided herein, and pursuant to the time frames specified below, SCHWAB will use good faith efforts to ensure that the Schwab.com Client Site substantially satisfies Web Content Accessibility Guidelines (WCAG) 2.0, Level A and AA Success Criteria. The Parties recognize that some WCAG 2.0 Level A and AA

Success Criteria address features or design elements that may not be used on the Schwab.com Client Site and in such circumstances compliance with those Success Criteria is not required.

3.2 Accessibility Timeline.

3.2.1 March 31, 2012 Accessibility Improvements. SCHWAB will use good faith efforts to meet the Access Standard on the pages of the Schwab.com Client Site listed in Exhibit A no later than March 31, 2012.

3.2.2 June 30, 2012 Accessibility Improvements. SCHWAB will use good faith efforts to meet the Access Standard on the pages of the Schwab.com Client Site listed in Exhibit B no later than June 30, 2012.

3.2.3 June 30, 2013 Accessibility Improvements. SCHWAB will use good faith efforts to meet the Access Standard on all pages of the Schwab.com Client Site no later than June 30, 2013.

3.2.4 Additional Milestones. Throughout the term of the Settlement Agreement, SCHWAB will make steady progress toward the June 30, 2013 deadline set forth in Section 3.2.3. No later than June 30, 2012, the Parties will meet regarding additional milestones to ensure such progress. Agreed upon milestones will be memorialized in writing as an addendum to this Settlement Agreement. Disputes over additional milestones will be resolved pursuant to the Dispute Resolution provisions of this Settlement Agreement.

3.2.5 Timeline Modifications. The Parties recognize that SCHWAB may encounter unforeseen complications in meeting the accessibility timeline set forth in this section. Therefore, in the event that SCHWAB determines that it is necessary to extend any deadline(s) set forth herein for a period of thirty (30) days or less, SCHWAB shall notify Counsel of the new deadline in writing. If SCHWAB proposes to extend any of those deadlines for a period of more than 30 days, SCHWAB will provide Counsel with the new proposed deadline(s), and the reason(s) for the extension in writing, and the Parties will negotiate about the new deadline in good faith. Disputes regarding a requested extension of more than thirty days will be resolved pursuant to the Dispute Resolution provisions of this Settlement Agreement.

3.3 Third-Party Content.

SCHWAB's only obligations under this Settlement Agreement with respect to Third-Party Content are the following:

3.3.1 Testing and Communications with Third Party Vendors. While meeting the timelines set forth in Section 3.2, SCHWAB will test Third-Party Content on the Schwab.com Client Site to determine if it meets the Access Standard. Where SCHWAB finds content that does not satisfy the Access Standard, or where Claimant notifies SCHWAB of such content, within thirty days SCHWAB will request in writing that third parties supplying the web content to SCHWAB bring their content into conformance with the Access Standard. SCHWAB will request a written response within thirty (30) days from its vendors.

3.3.2 If SCHWAB is notified that a third party vendor will not bring its content into conformance with the Access Standard, SCHWAB will use good faith efforts to find an alternative vendor that provides the content that is in compliance with the Access Standard subject to SCHWAB's existing contractual obligations to the third

party vendor. SCHWAB will not be required to violate any confidentiality or non-disclosure agreements for any purpose or to terminate a pending third party vendor contract prior to its natural expiration date.

3.3.3 New Third Party Content after the Effective Date. If, on or after the Effective Date, SCHWAB issues requests for proposals for development or inclusion of Third-Party Content on the Schwab.com Client Site, SCHWAB will include compliance with WCAG 2.0 Level A and AA Success Criteria as a requirement in all such requests for proposals and vendor contracts. SCHWAB will use good faith efforts to select Third-Party vendors who can meet this criteria in addition to other criteria in the request for proposals and vendor contracts.

3.3.4 Nothing in this Settlement Agreement shall preclude SCHWAB from including Third-Party Content on the Schwab.com Client Site – even if such content does not satisfy the Access Standard – provided that SCHWAB complies with the terms of this Settlement Agreement. SCHWAB will inform Claimant of Third Party Content on the Schwab.com Client Site that does not comply with the Access Standard to the extent SCHWAB is aware of such content.

3.3.5 IPO Prospectuses. By June 30, 2012, SCHWAB will use good faith efforts to ensure its vendor provides IPO prospectuses in a format that meets the Access Standard. If, despite SCHWAB's good faith efforts its vendor does not provide IPO prospectuses in a format that meets the Access Standard, SCHWAB will provide a link to the prospectus on the SEC website. SCHWAB will notify Claimant no later than June 15, 2012 of the manner in which IPO prospectuses will be provided. If a link to the SEC website is provided, and the content on the SEC site does not meet the Access Standard, at the request of either Party the Parties will meet by telephone to discuss alternative methods for providing IPO prospectuses in a format that meets the Access Standard. If the Parties have not reached agreement on the issue within thirty days of their meeting, the dispute shall be handled pursuant to the procedures set forth in Section 9 of this Settlement Agreement.

3.4 CAPTCHAs.

If any Completely Automated Public Turing Test to Tell Computers and Humans Apart or similar visual or textual Turing or reverse-Turing verification test (referred herein as "CAPTCHA") is used on the Schwab.com Client Site after the Effective Date, SCHWAB will, by September 30, 2012, incorporate an alternative security measure that is accessible to and usable by Persons with Visual Impairments. SCHWAB will test the alternative security measure to ensure that it is accessible to and usable by persons with visual impairments. Such testing will occur as soon as practicable after SCHWAB determines that a CAPTCHA will be used. By January 30, 2012, SCHWAB will include a message with any CAPTCHA that is used directing users who cannot access the CAPTCHA to a SCHWAB contact who can provide assistance.

3.5 Enforcement.

A failure by SCHWAB to meet its obligations pursuant to Sections 3.1 –3.4 of this Settlement Agreement will not constitute a violation of this Settlement Agreement unless and until the following procedures are exhausted:

3.5.1 Counsel will notify SCHWAB in writing (the "Notice") when Claimant believes there is any aspect of the Schwab.com Client Site that does not substantially satisfy the Access Standard, or when Claimant or Counsel has received information

regarding such a page or content from someone not a party to this Settlement Agreement.

3.5.2 Within thirty (30) days of receiving a Notice under section 3.5.1, SCHWAB shall respond in writing to the Notice. Within thirty (30) days of Claimant's receipt of SCHWAB's response to the Notice, the Parties will meet by telephone in an attempt to informally resolve the issue.

3.5.3 If the issue remains unresolved, after the actions taken in Section 3.5.2, the dispute shall be handled pursuant to the procedures set forth in Section 9 of this Settlement Agreement. Nothing in this Section precludes the Parties from agreeing to take additional actions to resolve the dispute prior to invoking the procedures set forth in Section 9.

4. Monitoring and Reporting.

4.1 Mutually Agreed Upon Consultant.

As part of the Structured Negotiations process, SCHWAB hired a mutually agreed upon consultant to assist it in improving the accessibility of the Schwab.com Client Site. Except as provided herein, SCHWAB will maintain a contract with this mutually agreed upon consultant throughout the term of this Settlement Agreement to assist in implementation. If SCHWAB decides to replace the consultant, or if the mutually agreed upon consultant is no longer available, the Parties will work in good faith to find an alternative mutually agreed upon consultant(s) to assist SCHWAB in fulfilling its obligations under this Settlement Agreement.

4.2 Status Reports.

Every six months, beginning on April 15, 2012, SCHWAB will provide Claimant with a status report of its progress on the work and timelines specified in Section 3 of this Settlement Agreement. SCHWAB will prepare the reports in consultation with the mutually agreed upon consultant described in Section 4.1. At the request of either Party, the Parties will meet by telephone within four weeks of Claimant's receipt of the Status Report to discuss any matters addressed in the report. At Claimant's request, SCHWAB will make the mutually agreed upon consultant available for the meeting.

4.3 Automated Compliance Tool.

No later than September 30, 2012 and continuing until the expiration of the Full Agreement, SCHWAB will use an automated compliance tool to help it assess accessibility issues on the Schwab.com Client Site.

4.4 Claimant Testing.

SCHWAB will meet with Claimant and Counsel in person in the third quarters of 2012 and 2013 to enable Claimant to demonstrate to SCHWAB her experience with portions of the Schwab.com Client Site for which SCHWAB has completed remediation pursuant to this Settlement Agreement at that time. SCHWAB will use good faith efforts to ensure that the mutually agreed upon consultant participates in these meetings. SCHWAB will consider in good faith Claimant's suggestions provided at these meetings that are consistent with the terms of this Settlement Agreement.

4.5 Customer Feedback.

No later than July 15, 2012, SCHWAB will develop or revise as necessary internal procedures to ensure that (1) customer feedback on website accessibility will be routed to appropriate personnel, and (2) SCHWAB will provide a response to the customer in a timely manner. The Parties recognize that SCHWAB may encounter unforeseen complications in meeting this deadline despite good faith efforts. Therefore, in the event that SCHWAB determines that it is necessary to extend this deadline for a period of thirty (30) days, SCHWAB will notify Counsel of the new deadline in writing. SCHWAB will notify Claimant in writing when the procedures are in place and will provide a brief summary of the procedures.

5. Schwab.com Public Site.

The Parties anticipate that some of the enhancements that will be made to the Schwab.com Client Site under this Settlement Agreement will also enhance accessibility to the Schwab.com Public Site. During the fourth quarter of 2012 the Parties will meet by telephone to discuss any remaining accessibility issues on the Schwab.com Public Site and SCHWAB's plans for remediating those issues.

6. Information.

No later than March 31, 2012, SCHWAB will post an Accessibility Information page that will be accessible from the global footer across the Schwab.com Public site and the Schwab.com Client site. The page will describe the materials and services available to individuals with disabilities. On the Accessibility Information page, SCHWAB will provide a toll-free telephone number and an online method (web form or email address) through which users can notify SCHWAB about web accessibility concerns.

7. Training of SCHWAB Personnel.

7.1 Telephone Customer Service:

No later than July 15, 2012, SCHWAB will ensure that all calls concerning website accessibility will be routed to designated personnel. The designated personnel shall receive the training described in this section (the "Training Program") no later than July 15, 2012. The Parties recognize that SCHWAB may encounter unforeseen complications in meeting this deadline despite good faith efforts. Therefore, in the event that SCHWAB determines that it is necessary to extend this deadline for a period of thirty (30) days, SCHWAB will notify Counsel of the new deadline in writing. The Training Program will be designed to enable those designated personnel to assist blind and visually impaired customers with using the Schwab.com Client Site. At a minimum, such training will include information about (i) SCHWAB's general plan and timetable for making access improvements to the Schwab.com Client Site; (ii) the types of assistive technology used by blind and visually impaired web users; (iii) the fact that many visually impaired computer users rely solely on a keyboard, and do not use a mouse, to navigate a website; and (iv) internal SCHWAB procedures for addressing web accessibility complaints. SCHWAB will work with the mutually agreed on consultant in preparing the training, and will provide Claimant with a copy of the training materials as part of its status reports. New designated personnel will receive the training within 45 days after their starting date.

7.2 Web Development Staff:

SCHWAB will provide accessibility training for all SCHWAB employees responsible for ensuring that the Schwab.com Client Site meets the Access Standard. SCHWAB will work with the mutually agreed upon consultant in preparing the training and the consultant will conduct portions of the training as deemed appropriate by the consultant and SCHWAB.

8. Joint Press Release.

On an agreed upon date after March 31, 2012, but no later than May 31, 2012, Claimant and SCHWAB will jointly issue a press release announcing SCHWAB's accessibility initiative as described in this Settlement Agreement. SCHWAB will draft the joint press release in collaboration with Claimant. If the Parties cannot agree on the language of a joint press release, either Party may issue its own press release provided that it is shared with the other Party at least three business days prior to issuance and provided that the release is consistent with the terms of this Settlement Agreement and reflects the Parties' collaboration. The Parties agree not to issue any press release related to this Settlement Agreement except as described in this Section.

9. Procedures in the Event of Disputes.

9.1 Notice of Non Compliance.

If a Party believes that the other Party has not complied with any provision of the Full Agreement, that Party shall provide the other Party with a Notice of Non-Compliance containing the following information: (i) the alleged act of non-compliance; (ii) a reference to the specific provision(s) of the Settlement Agreement or Confidential Addendum that are involved; (iii) a statement of the remedial action sought by the initiating Party; and (iv) a brief statement of the specific facts, circumstances and legal argument supporting the position of the initiating Party.

9.2 Response.

Within forty-five (45) days of receipt of a Notice provided pursuant to Section 9.1, the non-initiating Party shall respond to the initiating Party in writing.

9.3 Meet and Confer.

Within four (4) weeks after the response described in Section 9.2, the Parties shall informally meet and confer and attempt to resolve the issues raised in the Notice.

9.4 Submission to Mediation/Binding Arbitration.

9.4.1 If the matters raised in a Notice of Non-Compliance provided pursuant to Section 9.1 are not resolved within forty-five (45) days of the initial meet and confer required by Section 9.3, they shall be submitted to nonbinding mediation before a mediator jointly agreed upon by the Parties.

9.4.2 If the dispute is not settled in mediation, it shall be submitted to binding arbitration before a mutually agreed upon arbitrator who will follow expedited rules and procedures as agreed upon by the Parties. The hearing will be held as soon as practicable after the submission to arbitration, and the Parties agree to request a written decision on the matter within sixty (60) days of the last hearing date.

10. Communication to Parties.

Any notice or communication required or permitted to be given to the Parties under this Full Agreement shall be given in writing by email and United States mail, addressed as follows:

To Claimant:

Lainey Feingold
Law Office of Lainey Feingold
1524 Scenic Avenue
Berkeley, CA 94708
[email address omitted]

To SCHWAB:

[information omitted]

11. Modification of this Settlement Agreement

11.1

No modification of the Full Agreement shall be effective unless in writing and signed by authorized representatives of each Party.

11.2

Modification Based on Change of Law or Regulations: If, after the Effective Date, either Party believes that there is a change in any applicable law or regulation which requires a modification of this Settlement Agreement because it imposes a different obligation than provided in this Settlement Agreement, the Party shall notify the other Party in writing. The notification will include the way in which the Party contends the Settlement Agreement should be modified as a result of the change in law or regulation. The proposed modification will become effective thirty (30) days after such notification unless the other Party objects in writing to the proposed modification. In the event of disagreement between the Parties over the appropriate modifications to this Settlement Agreement as contemplated by this Section, the Parties shall meet and confer and shall work together in good faith to resolve the disagreement. Failure to reach agreement during such meet and confer shall be considered a dispute to be resolved pursuant to the Procedures in the Event of Disputes in Section 9 of this Settlement Agreement.

12. No Other Representations.

The Parties to the Full Agreement warrant that they are acting upon their independent judgment and upon the advice of their own counsel and not in reliance upon any warranty or representation, express or implied, of any nature or kind by the other Party, other than the warranties and representations expressly made in the Full Agreement.

13. Agreement Has Been Read.

The Full Agreement has been carefully read by each of the Parties, or their responsible officers, and its contents are known and understood by each of the Parties. The Full Agreement is signed freely by each Party executing it.

14. Assignment.

No Party to the Full Agreement has heretofore assigned, transferred or granted, or purported to assign, transfer or grant, any of the claims, demands, or cause or causes of action disposed of by the Full Agreement.

15. Binding on Assigns And Successors.

The Full Agreement shall bind any assigns and successors of the Parties who have the right to implement the actions required.

16. Force Majeure.

The performance of SCHWAB under this Full Agreement shall be excused during the period and to the extent that such performance is rendered impossible, impracticable or unduly burdensome due to acts of God, strikes or lockouts, or unavailability of operable parts, equipment or materials through normal supply sources. If SCHWAB seeks to invoke this Section, it shall notify Counsel in writing as soon as reasonably possible, specifying the particular action that could not be performed and the specific reason for the non-performance. Counsel and SCHWAB will thereafter meet and confer regarding an alternative schedule for completion of the action that could not be performed, or an alternative action. Any dispute regarding the applicability of this Section, or any future action to be taken, that remains after the meet and confer session will be handled as a dispute pursuant to Section 9 of this Full Agreement.

17. Non-Admission of Liability.

In entering into the Full Agreement, SCHWAB does not admit, and specifically denies, that it has violated or failed to comply with any Access Laws.

18. Authority for Execution.

The persons executing the Full Agreement each represent and warrant that he or she has the authority to enter into the Full Agreement, and to resolve the matters set forth in the Full Agreement, on behalf of the Party for whom he or she is executing the Full Agreement, and that no further approval is necessary in order for the Full Agreement to be binding on the Party for whom he or she is executing.

19. Integrated Agreement.

The Full Agreement constitutes the entire agreement relating to the subject matters addressed therein.

20. Rules of Construction.

Each Party and its legal counsel have reviewed and participated in the drafting of the Full Agreement; and any rule of construction to the effect that ambiguities are construed against the drafting Party shall not apply in the interpretation or construction of the Full Agreement. Section titles used herein are intended for reference purposes only and are not

to be construed as part of the Full Agreement. The Recitals are integral to the construction and interpretation of the Full Agreement and are therefore incorporated into the Full Agreement in their entirety.

21. Quadruplicate Originals/Execution in Counterparts.

Each Party and its respective counsel shall sign four copies of this document and each such copy shall be considered an original. This document may be executed in counterparts.
[SIGNATURES BEGIN ON THE NEXT PAGE]

PARTIES

- **CHARLES SCHWAB AND COMPANY, INC.**
- **KIT LAU**
By: Kit Lau