



A Charles Schwab Company

## **The 401(k) Company Absolute Quality (AQ) Program**

The 401(k) Company manages quality across our entire organization via our Absolute Quality program, which has been in place since 1987. We consider high quality service one of our distinguishing characteristics. If we make a mistake in the processing of our clients' plans, we guarantee that we will rapidly correct any errors made, make participants whole if our error resulted in a loss of any kind, and continually strive for process improvement.

If an error, even as minor as a typographical error, occurs in a plan sponsor or participant transaction or communication that leaves our office, the responsible party sends an Absolute Quality (AQ) message to all employees of The 401(k) Company as soon as the error is discovered. The message describes the error and the procedures implemented to ensure that this error does not occur again. Since our Absolute Quality program is not punitive, it helps us continually enhance and improve procedures throughout all levels of The 401(k) Company.

To demonstrate our commitment to our Absolute Quality program, we track and footnote the number of consecutive error-free days on all communication materials, such as participant statements and general client correspondence. For example, the footer of this document notes the number of consecutive error-free days when this response was completed. Several days, a period in which millions of transactions occur, will often pass without a single processing error by The 401(k) Company.