

Royal Bank of Canada (Channel Islands) Limited

# General Terms and Conditions

for banking products and services pursuant to an Intermediary Agreement



**Wealth  
Management**

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**TABLE OF CONTENTS**

1.	Definitions and interpretation.....	1
2.	Introduction .....	2
3.	General information .....	2
4.	The Account .....	4
5.	Instructions .....	6
6.	FX Transactions .....	7
7.	Client representations and warranties.....	8
8.	Client acknowledgements.....	8
9.	Data protection .....	9
10.	Confidentiality .....	11
11.	Notices and other communication .....	11
12.	Complaints.....	12
13.	Severability .....	12
14.	General .....	12
15.	Exclusion of Supply of Goods and Services (Jersey) Law 2009 .....	12
16.	Force majeure.....	12
17.	Governing law and jurisdiction .....	12
18.	Commissions .....	12
19.	Investment Services .....	13
20-24.	Additional terms and conditions relating to custodial services .....	17

## 1. DEFINITIONS AND INTERPRETATION

1.1 In these Terms, unless the context otherwise requires:

**“Account”** means any or all accounts which the Bank opens and maintains for you;

**“Agreement”** means the Application Form, these Terms and the General Banking Charges document and includes any variation of them and all documents entered into as supplemental to them;

**“Anti-Money Laundering Rules”** means all the enactments and published regulatory requirements in relation to anti-money laundering or countering the financing of terrorism as passed or amended from time to time, as applicable to the location of the Account;

**“Application Form”** means the application form and/or any other forms or documents required by the Bank to be completed from time to time in connection with the opening and operation of an Account;

**“associate”** means and includes any company, which is directly, or indirectly, a wholly owned subsidiary of Royal Bank of Canada;

**“Authorised Person(s)”** means the person(s) who are duly authorised by the Client pursuant to the Agreement or as confirmed by the Client to the Bank in writing from time to time, to give Instructions in relation to the Account (either alone or jointly and in such circumstances as specified by the Client) for and on behalf of the Client, including an Intermediary;

**“Bank”** or **“we”** means Royal Bank of Canada (Channel Islands) Limited (a company incorporated in Guernsey and having its registered office at Canada Court, St Peter Port, Guernsey) and any of its offices or branches;

**“Cash Account”** means (solely in the context of a Client using the Bank’s Custodial Service) an account forming part of the Client’s Custody Account that is used to hold cash in connection with the operation of the Custody Account and to settle transactions and receive dividends and other related payments. (For the avoidance of any doubt, a Cash Account is not a standard bank account and cannot be used to make payments to third parties that are not directly related to the purchase of securities or any other assets that are eligible to be held in a Custody Account and such account is not subject to the bare trust which otherwise applies to Property held under the Custodial Service);

**“Custody Account”** means an account opened with the Bank to which Property held by the Bank under its Custodial Service is recorded;

**“Client”** or **“you”** means the person or persons signing the Application Form, including a corporate body or partnership, and **“your”** shall be construed accordingly;

**“Custodial Services”** means the two services namely (i) the Custody Service and (ii) the Safekeeping Service, which are described in Clause 20 of these Terms;

**“Data Protection Laws”** means the Data Protection (Jersey) Law 2005 or the Data Protection (Bailiwick of

Guernsey) Law 2001, as amended, as applicable to the location of the Account;

**“Dealing Service”** means arranging deals in investments and the other services described in Clause 19.2 hereof;

**“Deposit Interest Rate sheet”** means the document issued from time to time by the Bank and made available to the Client (either upon request or by visiting [www.rbcwealthmanagement.com](http://www.rbcwealthmanagement.com)) reflecting details of (i) the latest interest rates that the Bank will pay on the various types of accounts that are offered by the Bank; and (ii) any minimum balance requirements or other conditions applicable to specific types of accounts;

**“Designated Markets”** means markets which have been identified as being high risk and designated as designated markets by the Bank, and specified in the Designated Markets Schedule as may be amended by the Bank from time to time;

**“Designated Markets Schedule”** means the schedule issued from time to time by the Bank reflecting details of the markets which the Bank has identified as being high risk;

**“Encumbrances”** has the meaning given to it in Clause 7.1

**“Facility Letter”** means the letter in which the Bank specifies the terms and conditions that will apply in the event that the Bank offers a loan or some other form of credit facility to the Client;

**“Fee Schedule”** means the schedule issued from time to time to a Client reflecting details of the specific fees and charges that will apply to a particular service that the Bank is prepared to provide to a Client;

**“Fixed Deposit”** means a deposit placed for a specific period of time at a fixed rate of interest;

**“Forward FX Transaction”** means a foreign exchange transaction for value seven days or more forward;

**“FX Transaction”** means a foreign exchange transaction for value spot or less than seven days forward;

**“General Banking Charges document”** means the document issued from time to time by the Bank reflecting details of the Bank’s latest schedule of general charges, and provided to Clients;

**“Intermediary”** means any person who (i) RBC has entered into an intermediary agreement with; and (ii) has introduced the Client to the services described in these Terms; and (iii) is authorised by the Client to act on the Client’s behalf;

**“Instructions”** means instructions given to the Bank in accordance with Clause 5 of these Terms;

**“Investment Advice”** has the meaning given to it in Clause 19.1;

**“Investment Services”** means the investment services provided by the Bank to Clients, as more fully described in Clause 19;

**“Literature”** means any brochure or any other literature describing any service provided by the Bank, issued or supplemented from time to time and provided to the Client;

**“Permissible Commission”** means any commission (both initial and recurring) that is allowed by the applicable law, rules and regulations in Jersey or elsewhere;

**“Property”** means any securities or assets which are held by the Bank as nominee and bare trustee for a Client using the Bank’s Custodial Services, other than cash or investment contracts booked directly in the name of the Client;

**“RBC”** means and includes any company, which is directly, or indirectly a holding company, sister company, or subsidiary of the Bank and any company, which is directly, or indirectly a subsidiary of any such holding company or sister company and in this definition reference to “company”, “holding company”, “sister company” or “subsidiary” shall be interpreted as a reference to a corporate body wherever incorporated;

**“service”** or **“services”** means banking services or any other product or service offered by the Bank from time to time, including where such services have been introduced to a Client by an Intermediary;

**“Structured Transaction”** means a transaction such as a dual currency deposit that is offered by the Bank or a sister company from time to time that may involve a certain degree of risk and consequently may not be suitable for all Clients;

**“Transferred Permissible Commission”** means the trail commission permitted in a transferring portfolio of investments as more fully described in Clause 18; and

**“Valuation”** means an asset listing or valuation prepared by the Bank for a Client receiving Custodial Services.

1.2 In addition:

- (i) words importing the singular shall include the plural and vice versa;
- (ii) words importing a gender shall include all genders;
- (iii) clause headings are used for convenience only and shall not affect the interpretation hereof;
- (iv) references herein to these Terms, any agreement or document shall be deemed to include references to such Terms, agreement or other document as varied, supplemented or replaced from time to time; and
- (v) references to a person include its successors and assigns.

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## 2. INTRODUCTION

2.1 These Terms and Conditions (the “Terms”) form part of your agreement with the Bank. You should carefully read and consider these Terms before you complete the Application Form. Signature by you of the Application Form confirms your acceptance of and agreement to

these Terms. It is recommended that you retain a copy of these Terms for future reference.

2.2 Some of the services described in these Terms may not be available from both offices of the Bank.

2.3 The Bank may also provide other services from time to time that are subject to additional terms and conditions and/or separate documentation requirements. The Bank will notify you of this and ask for your acceptance of any such additional terms before the service is provided to you.

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## 3. GENERAL INFORMATION

3.1 Incorporation and regulatory status

(i) The Bank is a company incorporated in Guernsey (registered company number 3295) and has an office (including a branch) at Canada Court, St Peter Port, Guernsey and also a branch in Jersey at Gaspé House, 66-72 Esplanade, St Helier, Jersey, JE2 3QT. The Bank is regulated by the Guernsey Financial Services Commission (“GFSC”) to carry on deposit taking and investment business and to act as a custodian/trustee of collective investment schemes in Guernsey and the Jersey branch of the Bank is regulated by the Jersey Financial Services Commission (“JFSC”) in the conduct of deposit taking business, fund services business and investment business in Jersey. The Bank also has a representative office at Riverbank House, 2 Swan Lane, London, EC4R 3BF but is not authorised under the United Kingdom Financial Services and Markets Act, 2000 (“the Act”).

(ii) In some or all respects, the regulatory regimes in Guernsey and Jersey, including any compensation or investor protection arrangements, may be different from those of your own jurisdiction and certain products and services may not be available to Clients resident in certain jurisdictions.

(iii) As a licensed Bank in Guernsey, the Guernsey office of the Bank is a participant in the Guernsey Banking Deposit Compensation Scheme (the “Guernsey Scheme”). The Guernsey Scheme applies to qualifying deposits. Compensation under the Guernsey Scheme is limited to a maximum of £50,000 per individual claimant and the total compensation in any five year period is limited to £100 million. For the avoidance of doubt the Guernsey Scheme is only applicable to Bank deposits. Investments are not covered by the Guernsey Scheme. Further information is available on the official Guernsey Scheme website: [www.dcs.gg](http://www.dcs.gg)

(iv) The Jersey branch of the Bank is a participant in the Jersey Bank Depositors Compensation Scheme (the “Jersey Scheme”). The Jersey Scheme offers protection for eligible deposits of

up to £50,000. The maximum total amount of compensation is capped at £100 million in any five year period. Full details of the Jersey Scheme and banking groups covered are available on the States of Jersey website [www.gov.je/dcs](http://www.gov.je/dcs) or on request. For the avoidance of doubt, the Jersey Scheme is only applicable to Bank deposits made by eligible depositors. Investments are not covered by the Jersey Scheme.

- (v) For the avoidance of any doubt, deposits made with the offices of the Bank in Guernsey and/or Jersey are not covered by the UK Financial Services Compensation Scheme under the Act.
- (vi) The Bank reserves the right to delegate the performance of any duties to any other RBC member company or to any third party service provider or agent used by the Bank to provide the Client with services.
- (vii) The Bank reserves the right, at its absolute discretion, to determine which office of the Bank shall provide the Account or service for which the Client has applied. Once the Application Form has been reviewed by the Bank and the Bank has agreed to provide the Account or the service, the Bank will advise the Client in writing which office will provide the Account or service.

### 3.2 Taxation

- i) The Bank does not provide tax advice and strongly recommends that, if appropriate, you should seek independent professional tax advice relevant to your particular circumstances before deciding to open an Account with or receive any service from the Bank, or instructing the Bank to execute any transactions on your behalf. You acknowledge that you are entirely responsible for the management of your own affairs for tax purposes, seeking your own tax advice in respect of any Account or service and for advising the Bank of any matter which you wish the Bank to take into account when providing services to you.
- ii) Please note that taxes and/or other costs may exist in relation to an Account and/or other services the Bank provides that are not paid via the Bank or withheld by the Bank.
- iii) The tax treatment of any Account depends on your individual circumstances and may be subject to change.
- iv) Although interest on deposits and other income earned in Guernsey or Jersey by persons who are not resident in Guernsey or Jersey (as applicable) in respect of the Account and/or the Property may be paid gross of tax, payment of interest, dividends or other amounts may be liable to tax in the jurisdiction in which you pay tax. In such circumstances, you are obliged to

declare such income or gains to the relevant tax authority. You will indemnify the Bank against any tax liability and reasonable costs (including, without limitation, legal expenses) arising in relation to any tax liability that may be incurred by the Bank in respect of transactions entered into by the Bank on your behalf. Amounts paid to your Account may also be subject to tax withheld at source in or on behalf of the jurisdiction from which the payment originates.

- v) The Bank may be required by legislation, regulation, order or agreement between governments or tax authorities of various countries to report on an ongoing basis certain financial Account information about you and your Accounts and Property on an individual or aggregated basis in accordance with the tax reporting regimes applicable to you. If you are not an individual, the Bank may also have to report financial Account information about persons connected with you such as your direct and indirect shareholders or other owners or interest holders and, if you are a trust, your beneficiaries, settlors, protectors or trustees. In particular, your financial Account information will be reported to either the Guernsey or Jersey tax authorities depending on where your Account is held. The relevant tax authority in Guernsey or Jersey may pass the financial Account information to the tax authorities in the country that requires it in accordance with the applicable tax reporting regime. If the Bank is required to report financial Account information, this may include (but is not limited to) financial Account information about you - your name, address and jurisdiction(s) of residence and your social security number/taxpayer identification number(s) or similar (if applicable), and details of your Accounts and assets, for example your Account number(s), the amounts of payments including interest, dividends, gross proceeds and other amounts paid or credited to the Account(s), and the Account balance(s) and asset value(s).
- vi) The Bank reserves the right to request further proof of identity and residence of the Account holder (and all beneficiaries of the Account) and all controlling and/or ultimate beneficial owners, regardless of when the Account was opened. In the absence of such documentary evidence, the relevant tax reporting regime's default position will be applied.
- vii) Joint Account holders should note that in the event that one or more Account holders is determined to be reportable under one or more tax reporting regimes, the Bank may be required to report information regarding the reportable Account holders and financial information regarding the Account as a whole.

- viii) Where you are a corporate customer or other legal entity, the Bank may be required to identify and report under one or more tax reporting regimes, persons with an interest in you, including but not limited to shareholders, partners, trustees, settlors, protectors, beneficiaries or other persons exercising control, including senior managing officials. If reporting applies, the Bank will be required to report information regarding you and the underlying reportable persons.
- ix) To the greatest extent permitted by applicable law, the Bank will not be liable to you for any liabilities, costs, expenses, damages and losses suffered or incurred as a result of the Bank complying with legislation, regulations, orders or agreements with tax authorities in accordance with these Terms, or if the Bank makes an incorrect determination as to whether or not you should be treated as being subject to tax or tax reporting obligations where the incorrect determination results from the Bank's reliance on incorrect information provided to the Bank by you or any third party, unless that loss is caused by the Bank's gross negligence, wilful default of this Clause or fraud.

and background of the Client and all signatories and other parties to the Account (except an Intermediary whose identity has already been verified by the Bank) will need to be provided to the Bank before an Account can be opened and such information may need to be updated at the request of the Bank from time to time for the Account to continue to be operated and/or before any amendments to the Account holders or beneficiaries of the Account may be made to it;

- (ii) the Bank may also require personal and/or financial information or documentation from the Client regarding the source of monies (or in the case of Custodial Services, Property) to be deposited in the Account or the source of the Client's wealth before an Account may be opened or operated normally. In these circumstances, the Client agrees to provide all required information or documentation that the Bank, in its absolute discretion, considers necessary or desirable for these purposes; and
- (iii) failure to provide information or documentation regarding (a) the source of monies or Property deposited or to be deposited in the Account; (b) the Client's source of wealth or (c) the valid authority of any Authorised Person(s) may impact the Bank's ability to open an Account or to continue to operate an Account normally.

#### 4. THE ACCOUNT

- 4.1 The Bank will not open an Account or provide any services until such time as the Bank has received a duly completed Application Form from the Client, completed to the satisfaction of the Bank and such other documentation and information as the Bank may require. In the event that monies or Property are received by the Bank prior to the Account being opened, the Bank may at its absolute discretion return the monies or Property. Further, the Bank may require such information to be updated or confirmed from time to time and may not be able to continue to provide services or permit transactions from an Account until such time as the required information has been provided. In any such circumstances, the Bank is not liable for loss of interest, income, profit or other loss incurred or suffered directly or indirectly by any person or party that is in the process of applying to become a Client or resulting from the Bank not continuing to provide services or carry out transactions pending the provision of information by the Client and the completion of required client due diligence by the Bank.
- 4.2 The Bank may refuse to open an Account, or to accept a deposit or Property at the Bank's absolute discretion without giving any reason, and the Bank will not enter into correspondence in these circumstances.
- 4.3 The Client acknowledges and accepts that the Bank will not establish an Account or provide any service until such time as all due diligence formalities have been completed to the satisfaction of the Bank. In particular you should note that:
  - (i) information and documents to verify the identity

- 4.4 The Client agrees to provide the Bank with all information and documentation as it may reasonably require, including evidence for the verification of individual entities and satisfactory explanations of transactions in order that the Bank is able to comply with the requirements from time to time of the relevant Anti-Money Laundering Rules.
- 4.5 The Client authorises the Bank until the Bank receives notice in writing to the contrary from the Client:
  - (i) to accept into the Account specified by you or by an Intermediary (or in the absence of any specification any of your Accounts) any monies or Property tendered to the Bank, if the Bank, in its own absolute discretion, thinks fit, in the name of the Client for depositing in any such Account. The Client agrees that, in the case of joint Accounts, the Bank may accept for depositing into any such joint Account, payments or Property that the Bank receives in the name of any one of the parties to the joint Account unless such deposit is marked "sole Account". If a payment or any monies tendered to the Bank is in a currency other than the currency in which the Account is currently maintained, then the Bank will either (i) if the amount is less than US\$25,000 (or the currency equivalent thereof) convert such amount into the currency of the Account at the Bank's exchange rate prevailing at the time of conversion; or (ii) if the amount is greater than

US\$25,000 attempt to contact the Client or the Intermediary with a view to ascertaining whether the Client wishes to open a new Account in that currency or have the amount converted and applied to an existing Account maintained in a different currency, provided that, if the Bank is unable to reach you or the Intermediary or does not receive a response within five days, the Bank is authorised by you at any time thereafter to convert such amount into the currency of the Account at the Bank's prevailing exchange rate at the time of conversion;

- (ii) to pay, honour and debit to any Account, any orders or Instructions authorising payment whether such Account is in credit or overdrawn but without prejudice to the Bank's right to refuse to allow any overdraft or increase in overdraft;
- (iii) to deliver up anything held by the Bank in the Client's name by way of security, or for safe custody, collection or any other purpose; and
- (iv) to make any advance to the Client by way of loan or in any manner whatsoever with or without security, but without prejudice to the Bank's right to refuse to grant such an advance.
- (v) Any requirement for the Bank to contact the Client in this Clause 4.6 shall be satisfied where the Bank contacts the Intermediary on the Client's behalf.

4.6 The Client agrees that overdrafts will not be allowed unless prior arrangements have been made. Cheques may be returned unpaid in order to maintain the Account in credit or within an agreed overdraft limit. In the event of a cheque being returned unpaid, the relevant charge as outlined in the Bank's General Banking Charges document will be debited to the Account.

4.7 The Client agrees that interest will be charged on any authorised or unauthorised overdraft or other credit facility, whether the Bank agrees such overdraft or not. Interest charged on borrowing is calculated daily, and will be charged at the rate and on the periodic charging date detailed in the Literature relating to the Client's Account, as amended or replaced from time to time or within the Facility Letter that the Bank has provided to the Client. Interest on unauthorised overdrafts will be charged at the Bank's unauthorised overdraft rate for the currency concerned, details of which are specified in the Bank's General Banking Charges document and is comprised of a rate specified in such document and the Bank's base rate for the relevant currency. In respect of joint Accounts, the Clients hereby consent to any information provided by the Bank regarding an overdraft being provided to only one of the joint Account holders of such a joint Account or the Intermediary.

4.8 The Bank may pay interest on cleared credit balances provided such credit balances are above the minimum balance required to earn interest on the relevant Account (the "Applicable Minimum Balance"). For the

avoidance of doubt, no interest will be earned during any period in which an Account remains below the Applicable Minimum Balance. Interest will be calculated on the basis described in the Deposit Interest Rate sheet, as amended or replaced from time to time and will be paid (or charged in the event of negative interest rates prevailing from time to time) to the Client's Account on the dates detailed in the aforementioned sheet. The Bank will notify Clients of up to date details of interest rates by displaying them on the Bank website. They are also available by contacting your Relationship Manager. Interest rates change automatically in line with changes to the applicable reference interest rate.

4.9 The Client agrees to pay all fees and charges that apply to the Account, or any service provided as the same, which may vary from time to time. The Bank may debit such charges to any Account in the name of the Client. In addition, the Bank is entitled to reclaim its reasonable expenses and costs (including, without limitation, time costs and reasonable legal fees) in connection with the Account or Property or matters relating thereto, by debiting such expenses and costs from the Account and shall give written notice to the Client of such costs and expenses. The Bank provides details of its general fees and charges in its General Banking Charges document, a copy of which is provided to the Client upon opening of the Account and is also available upon request from the Bank. The Bank will notify the Client of any change to its general fees and charges in writing, by giving at least 30 days' notice of any such changes. If other fees and charges apply to any particular service, then the Bank will provide the Client with a Fee Schedule detailing such other fees and charges in advance of the service being provided to the Client.

4.10

- (i) Cheques in most major currencies will be accepted for the credit of an Account. These will be converted to the currency of the Account at the Bank's prevailing exchange rate at the time of conversion, and will be credited under usual reserve with value given in accordance with the Bank's arrangements for each currency.
- (ii) If you wish to pay in a foreign cheque, we may choose to "negotiate" it or "collect" it:
  - (a) if we negotiate the cheque, we will buy it from you by paying you the amount of the cheque within ten working days of receipt. We will then obtain payment from the party upon whom the cheque is drawn (the "third party bank");
  - (b) if we collect the cheque, we send it on your behalf to the third party bank. We will pay the amount of the cheque or sterling equivalent thereof into your Account following receipt of the payment from the third party bank. The time taken to collect a cheque will vary depending on the third party bank involved.

- (iii) If a third party bank later returns a cheque that has been negotiated, or asks for the monies back in respect of a cheque that has been collected, we may take the currency from your Account, or if the cheque was in another currency, such amount will either be (a) taken at the original rate of exchange (provided that the current rate of exchange will not result in an amount less the original credit being reversed) or (b) taken at the rate of exchange prevailing at the time that the cheque was returned or request received, in order to purchase sufficient currency to satisfy the claim from the third party bank. In the case of (b) the Client accepts that they are responsible for any loss arising from non-payment of the cheque.
  - (iv) Details of the charges applicable to cheques that are negotiated or collected are reflected in the Bank's General Banking Charges document.
- 4.11 The Client undertakes to immediately notify the Bank if any cheques or cheque books issued by the Bank to the Client are lost, mislaid or stolen.
- 4.12 The Faster Payments Service scheme ("FPS") enables Sterling payments made by telephone, internet and standing order to be applied by the receiving bank within hours of receipt. The Bank is a participant in FPS in respect of inbound payments and can therefore receive payments of this nature via our 40-48-75 sort code, see applicable literature.
- 4.13 The Bank will not accept any deposits in the form of cash and may refuse to allow cash withdrawals at the Bank's absolute discretion. The Bank will not enter into correspondence in these circumstances.
- 4.14 The Bank will automatically appoint a dedicated Relationship Manager ("RM") to each Client. RMs for clients of the Custody Service will normally be based in the office or branch from which the service is provided, but the Bank reserves the right to allocate a RM from another office or branch or associate in a different jurisdiction. Clients with Accounts other than those forming part of the Custody Service held with the Guernsey office of the Bank should note that their assigned RM will be based in the Jersey branch of the Bank as RM services are no longer provided directly from the Guernsey office of the Bank.
- 4.15 The Bank will periodically send to the Client statements of the Client's Account. Statements will be dispatched as per the production cycle specified in the Literature applicable to the type of Account concerned, or on a frequency agreed with the Client, subject to a statement being sent at least annually.
- 4.16 The Client agrees that the Bank may close the Client's Account in accordance with Clause 24 at any time after providing the required notice thereunder by mail to the Client's last address shown in the records of the Bank, and that the Bank may do this without giving the Client any reason.

4.17 The Client agrees that, in addition to any general lien or similar right to which the Bank as a bank or custodian, as applicable, may be entitled by law, the Bank may, at any time and without prior notice to the Client, dispose of all or any Property credited to or held pursuant to the Custodial Services in an Account and/or combine or consolidate all or any of the Accounts in the Client's name with the Bank and set off such sums or otherwise apply any such sums or appropriate them in or towards satisfaction of any liabilities owing to the Bank by the Client, whether such liabilities be actual or contingent, primary or collateral, joint or several. If the Accounts are in different currencies, the Bank may convert any such Account at a market rate of exchange in its usual course of business for the purposes of such combination of Accounts and/or the set-off. The Client agrees that it shall be a condition precedent to the Bank complying with any Instruction that there is no continuing breach by the Client of this Agreement or any agreement with any member of RBC.

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## 5. INSTRUCTIONS

- 5.1 Instructions of the Client may be given in one of the forms stated below:
- (i) In writing
 

Instructions may be given to the Bank in writing by post, courier or hand delivery (excluding fax or email), stating the name of the Client and/or number of the Account by way of identification and signed by the Client (or an Authorised Person(s)) in the English language and in a form acceptable to the Bank.
  - (ii) By fax
 

Instructions may be given by electronic fax transmission in the English language and in a form acceptable to the Bank, signed by the Client or the Authorised Person(s), by way of identification stating the name of the Client and/or number of the Account. Such Instructions shall be signed by the Client (or the Authorised Person(s)). The Bank shall not be liable for refusing to act on Instructions given in this manner if it cannot confirm the authenticity of the Instruction to its sole satisfaction.
  - (iii) By using the Bank's Online Banking Services
 

In the event that the Client has subscribed to the Bank's Online Banking Services (the "Online Banking Services" – which are subject to additional terms and conditions) then instructions may be given by the Client or an Authorised Person using that service.
  - (iv) By telephone
 

The Bank may, at its discretion, accept certain types of Instruction over the telephone provided that the Client or an Authorised Person gives, by way of identification his/her name and password (if any) or any other requested forms



of identification satisfactory to the Bank. The Client specifically empowers the Bank to record any Instructions given in respect of an Account by telephone to the Bank. The recording may be used in court as evidence as if it were a written document. The Client may alter his/her password on written request to the Bank. The Bank shall not be liable for refusing to act on Instructions given in this manner if it cannot confirm the authenticity of the Instruction to its sole satisfaction.

(v) By email

The Bank may, at its absolute discretion, accept email Instructions relating to (a) the internal transfer of funds between Accounts or (b) FX transactions where the currency being sold is held on an Account maintained with the Bank. The Bank shall not be liable for refusing to act on Instructions given in this manner if it cannot confirm the authenticity of the Instruction to its sole satisfaction.

- 5.2 The Bank shall at all times be entitled to request alternative or additional proof of authenticity of Instructions in respect of an Account as the Bank may, at its discretion, require.
- 5.3 The Client confirms that the Bank shall in no circumstances whatsoever be held liable for acting in accordance with Instructions given to the Bank by any of the above methods of communication emanating or purporting to emanate from the Client or Authorised Persons.
- 5.4 In the absence of gross negligence the Bank will not be liable for any direct, indirect or consequential loss or damage or loss of profit incurred by the Client arising directly or indirectly out of the Bank acting on Instructions received by fax, telephone, or email. In particular, the Client acknowledges that security of Instructions given by fax, telephone or email cannot be guaranteed and/or is vulnerable to abuse by unauthorised parties.
- 5.5 Any confirmation of Instructions shall clearly indicate that it is a confirmation of previously given fax or telephone Instructions, failing which the Bank shall in no case be held responsible for any duplicate execution of Instructions.
- 5.6 Although Instructions may be given to the Bank outside its normal banking hours in Guernsey and Jersey they will only be carried out during its normal banking hours (which are 9:00am to 5:00pm on business days excluding bank and public holidays) and Instructions with a foreign element will only be carried out on days when relevant commercial banks are open for business in the foreign country concerned. The Client acknowledges that if certain Instructions are received after 11.00 am, they may not be acted upon until the next business day.
- 5.7 The Bank is entitled to postpone the execution of payment Instructions against uncleared funds which

may have been credited to an Account and to refuse to act upon unauthenticated Instructions.

- 5.8 The Client agrees to keep any password and/or access code secret at all times and not to allow anyone else to use it except an Authorised Person. If the Client believes that any password and/or access code has become known to a person other than the Client or an Authorised Person, the Client agrees to advise the Bank immediately and if necessary, write to the Bank to change the password and/or access code.
- 5.9 The Client agrees that the Bank may act on any Instructions given pursuant to this Clause 6 without making any enquiries as to why such Instructions were given.
- 5.10 The Bank may refuse to carry out an Instruction without explanation to the Client where, in the Bank's sole opinion and judgement, to do so would or might be contrary to any applicable regulations or regulatory guidelines or relevant laws.
- 5.11 With respect to fax or telephone Instructions subsequently confirmed in writing, should there be a conflict between the Bank's interpretation of the fax or telephone Instructions and the written Instructions later received, the Bank shall be entitled to rely on the fax or telephone Instructions, without any liability for mistake or error.
- 5.12 The Client agrees that in the event that the Bank receives any ambiguous or conflicting Instructions regarding any Account or the Property, the Bank shall be entitled to act or decline to act as the Bank sees fit without incurring any liability to the Client or an Authorised Person.

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## 6. FX TRANSACTIONS

- 6.1 The Bank may from time to time upon request quote a rate for an FX Transaction or Forward FX Transaction. The Bank may execute an FX Transaction or Forward FX Transaction based upon Instructions received in respect of an Account (and subject to Clause 6.2 below), or without Instructions in order to apply monies to a Client Account which have been received by the Bank in a currency other than that in which the Client's Account is maintained.
- 6.2 In the event that the Client wishes to engage in a Forward FX Transaction, then the Bank will consider each request on a case by case basis. If the Bank agrees to quote for a Forward FX Transaction, then the Client shall be required to complete certain additional documentation or provide information pertaining to the proposed transaction as determined by the Bank, prior to the Forward FX Transaction being executed. Additional collateral may also need to be provided by the Client in support of the Forward FX Transaction.
- 6.3 The Bank will determine, at its absolute discretion, the quoted rate for each FX Transaction and Forward FX Transaction based upon the size of the transaction and the market rates and conditions prevailing at the time the quote is given, and will not be required to disclose or account for any trading profit (i.e. the margin or rate

spread) that it makes or may earn on any particular FX Transaction or Forward FX Transaction.

- 6.4 The Bank may from time to time enter into arrangements with other financial institutions which allow the Bank to receive fee revenue or Permissible Commission in respect of FX Transactions or Forward FX Transactions executed by the third party financial institution on behalf of Clients of the Bank.
- 6.5 The Bank may at its absolute discretion refuse to enter into FX Transactions or Forward FX Transactions, *inter alia*, where one or both of the relevant currencies is subject to exchange controls, capital controls or other regulatory restrictions affecting the delivery of such currency (including, where such transaction does not involve the actual delivery of such currency).

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## 7. CLIENT REPRESENTATIONS AND WARRANTIES

- 7.1 The Client makes the following representations and warranties on the date of the signing of the Application Form and on such date and for so long as the Agreement is in place, and at all times where appropriate, undertakes to the Bank the following:
- (i) the Client has full and unrestricted power, authority and requisite legal capacity to apply to the Bank for, and to operate, an Account and to enter into and perform the Agreement;
  - (ii) the monies or Property which the Client wishes to deposit in the Account do not represent the proceeds of a criminal act and are free from all security interests, liens, charges, mortgages, encumbrances and other third party interests whatsoever (the "Encumbrances"), and the Client undertakes that no Encumbrances will arise from any acts or omissions on the part of the Client other than as agreed between the Bank and the Client from time to time;
  - (iii) unless the Client has notified the Bank in writing that the Client is acting on behalf of any third party or parties and has provided the Bank with the name or names of the third party or parties concerned, the Client is not operating the Account on behalf of any third party or parties and is the legal and beneficial owner of the Account;
  - (iv) any information which the Client has provided to the Bank (whether via an Intermediary or otherwise) in relation to the Client's status, residence and domicile for taxation purposes is complete and correct in all respects, and the Client agrees to provide any further information as the Bank may require;
  - (v) the Client will notify the Bank promptly if there is any material change in any information the Client or the Intermediary has provided to the Bank pursuant to the Agreement, and will provide such other relevant information as the Bank may from time to time request. The Client acknowledges that any failure to provide such

information may adversely affect the operation of the Account and the ability of the Bank to continue to provide an Account;

- (vi) the Client has not given the Bank any instructions (whether via an Intermediary or otherwise) that will require or involve any unlawful act or contain any falsehood and all information given will be accurate and not misleading; and
- (vii) the Client will comply with all filing requirements in any applicable jurisdiction and pay all taxes and governmental dues payable by the Client in connection with the Account.
- (viii) the Intermediary has the full authority and agreement of the Client to act on behalf of the Client in giving instructions to the Company and for all purposes of this Agreement and the Client agrees to notify the Company immediately in the event that the Intermediary's authority to act on behalf of the Client is terminated for any reason whatsoever;

- 7.2 The representations and warranties contained in Clause 10.1 will be deemed to be repeated by the Client each time the Client enters into a dialogue or correspondence with the Bank or remits new monies or Property to the Account.

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## 8. CLIENT ACKNOWLEDGEMENTS

- 8.1 The Client acknowledges and accepts that:
- (i) the Client is responsible for verifying or procuring that the Intermediary verifies the correctness of each statement or any other document reflecting information regarding monies or Property held in the Account received from the Bank and is required to notify the Bank within 60 days of the receipt of each such document of any alleged omissions from, or additions wrongly made to, or inaccurate entries in, the Account.
  - (ii) the Client is responsible for verifying or procuring that the Intermediary verifies the correctness of all confirmations and/or advices received from the Bank relating to any FX Transaction, Fixed Deposit, Structured Transaction or any other transaction (including orders to purchase or sell a holding in funds) effected by the Bank on behalf of the Client and is required to notify the Bank within 48 hours of the receipt of each such document of any alleged inaccuracies or any transaction or fixed deposit that has not been effected in accordance with any Instructions.
  - (iii) in the event that the Bank effects a payment based upon Instructions received from the Client or an Authorised Person and all or part of the monies relating to said payment are either seized in transit or subsequently held by a third party financial institution or a government

body due to sanctions or any law or regulations applicable in a foreign jurisdiction, then the Client is responsible for the loss of all or part of the monies or for the loss of any interest until such time as the monies are returned to the Bank.

- 8.2 The Client acknowledges and accepts that if the Bank suspects or has been notified that:
- (i) the Account is being used for illegal purposes; or
  - (ii) there is a dispute over the ownership of part or all of the Account; or
  - (iii) any monies or Property held by the Client are not owned by the Client; or
  - (iv) any monies or Property held by the Client appear to be connected to any individual or entity that is the subject of a regulatory or international sanction; or
  - (v) there is a dispute between joint Account holders or the officers or owners or beneficiaries of the Client (where it is a corporate body or acting as trustee, as applicable); or
  - (vi) there is a death, incapacity, insolvency, bankruptcy, winding up or dissolution of the Client; or
  - (vii) the execution of an Instruction could expose the Bank to civil or criminal proceedings in any jurisdiction, then, until the matter is resolved to the Bank's satisfaction, the Bank may freeze the Account in whole or in part and refuse to carry out transactions or otherwise act on Instructions from the Client in relation to the Account normally until the matter is resolved to the Bank's satisfaction. In such circumstances, the Bank shall incur no liability for any direct or indirect or consequential loss, damage or loss of profit to the Client or any other person.
- 8.3 The Client acknowledges and accepts that:
- (i) the Bank reserves the right to refuse to provide or continue to provide an Account that the Client wishes to operate on behalf of any third party or parties at the Bank's sole and absolute discretion. The Bank may do this without giving the Client any reason.
  - (ii) the Bank has the authority to correct any errors which may occur in respect of the Account without the Client's further authority.
  - (iii) the Client must ensure the name of the Bank or any other company within RBC does not appear in any promotional literature, any document or any advertisement issued on behalf of the Client, without the prior written approval of the Bank.
- 8.4 The Client acknowledges and agrees that the Client has taken independent tax advice in connection with the Client's obligations and liability (if any) to account to the

revenue authorities in the Client's country of domicile or residence in relation to the establishment of an Account and any transactions that the Client proposes to effect with the Bank.

- 8.5 The Bank is a Non-Withholding Qualified Intermediary (as the term is used by the US Internal Revenue Service) and maintains various tax pools and segregated accounts with its upstream custodians/agents based upon underlying clients' US tax circumstances. As a result, it is the sub-custodians that act as Primary Withholding Qualified Intermediaries (as the term is used by the US Internal Revenue Service) whom the Bank is reliant upon to deduct and remit US withholding tax to the Inland Revenue Service.

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## 9. DATA PROTECTION

- 9.1 A Client's information includes information about a Client and the Client's Account such as:
- (i) information establishing a Client's identity (for example, name, address, phone number, date of birth, etc.) and personal background (and may include personal information concerning a Client's family members, if provided to the Bank);
  - (ii) information related to transactions or financial behaviour arising from a Client's relationship with and through the Bank, and from other financial institutions including payment history and credit worthiness;
  - (iii) information the Client provides on an application for any products and services; and
  - (iv) where the Client is a corporate customer or other legal entity, the details the Bank holds about persons with an interest in the Client, including but not limited to shareholders, partners, trustees, settlors, protectors, beneficiaries, staff and corporate contacts (including their individual customers and such customers' family members).
- 9.2 The Bank may collect and confirm Client information during the course of its relationship with the Client and will only use personal information which constitutes personal data in accordance with the applicable Data Protection Laws. The Bank may obtain this information from a variety of sources including from the Client, from service arrangements the Client makes with or through the Bank, from credit reporting agencies and financial institutions, from registries, from references the Client provides to the Bank and from other sources, as is necessary for the provision of the Bank's products and services.
- 9.3 The Bank may at any time use or process Client information for the following purposes:
- i) to verify the Client's identity and investigate the Client's personal background;
  - ii) to facilitate or otherwise assist in the provision of the Account or any service provided under these Terms;

- iii) to service any of the Client's other relationships with RBC;
  - iv) to provide the Client with information regarding products, services or other offerings that the Bank believes may be of interest to the Client, if the Client does not wish to receive this information the Client must notify the Bank in writing as described below;
  - v) to meet the Bank's or RBC's regulatory and/or legal and/or financial and/or other reporting obligations in Guernsey, Jersey or in any other jurisdiction (as applicable);
  - vi) to comply with laws, regulations, or court orders in any jurisdiction (whether or not the same is strictly binding or capable of being enforced against the Bank);
  - vii) to prevent or detect fraud, money laundering, terrorist financing or other criminal conduct (including, without limitation, compliance with RBC internal know your client, anti-money laundering and anti-bribery and corruption policies);
  - viii) to recover a debt;
  - ix) for the Bank and RBC to assess and manage their operations and financial and insurance risks;
  - x) to maintain the accuracy and integrity of information held by a credit reporting agency and to perfect any security interest granted over an Account;
  - xi) to develop new products and services;
  - xii) to bring or defend any dispute or litigation concerning an Account or any service provided under these Terms;
  - xiii) to determine the Client's suitability for products and/or services offered by the Bank or RBC; and
  - xiv) to satisfy any health, education, social work or related regulatory requirements, or for the sake of research or history or to prepare or contribute to high-level anonymised statistical reports.
- 9.4 The Client agrees that the Bank is entitled to hold and keep a record on its computer database or structured paper file of any information obtained from or about the Client in the course of its relationship with the Client and may use RBC's centralised systems and/or systems resources and/or specialist employees, consultants or contractors to allow for certain efficiencies including operating and managing systems, systems back-up and data recovery, risk evaluations, know your client procedures to verify client identity, and anti-money laundering screening. This may result in certain Client information including personal data and sensitive personal data being transmitted through or stored or processed in other jurisdictions which may be outside the European Economic Area, and also being subject to the laws of those jurisdictions, whether or not
- 9.5 In the event that the Client believes that any of the centrally held information, including the Client's personal data, is incorrect or inaccurate, the Client must promptly notify the Bank so that the information can be updated or corrected, as appropriate.
- 9.6 The Bank will only retain the information gathered for as long as the Bank considers to be necessary, having regard to relevant laws and regulations, including those relating to record keeping and prescription periods, in the jurisdiction from which the Account is provided. Such information may be retained after the Account has been closed, and for customer identification purposes in accordance with the record keeping policy of the Bank.
- 9.7 The Bank may wish to send to the Client information on services or other offerings which it believes will be of interest to the Client. Where the Client does not wish to receive such marketing information the Client should either tick the "opt out" box on the relevant document that forms part of the relevant application form, or write to the Data Protection Officer at the Bank and request the cessation of this activity.
- 9.8 The Client and any individual in respect of whom the Bank holds personal data has, subject to any exemptions provided for by the Data Protection Laws, a right to a copy of the personal data, including sensitive personal data (as such terms are defined under the Data Protection Law) about them held by the Bank. Such personal data may be obtained by writing to the Data Protection Officer at the Bank, and, in accordance with the applicable Data Protection Laws, paying the applicable fee, if any, and providing further information (including appropriate proof of identity) as requested by the Bank.
- 9.9 The Bank may make searches with licensed credit reporting or fraud prevention agencies, which will keep a record of that search. In the case of a Client that is a body corporate or a partnership, the Bank may also make enquiries with licensed credit reporting or fraud prevention agencies about the directors or partners (as the case may be) of that body corporate or partnership. In connection with any request for credit or an authorised overdraft, the Bank may make searches on public registers of mortgages, charges, liens or other security interests, and the relevant registrar may keep a record of that search. The Bank may also disclose information to credit reporting agencies about the Client and details of how the Account is operated in instances such as where the Client has fallen behind with repayments on a debt or other liability owed to the Bank.
- 9.10 By agreeing to these Terms the Client confirms that the Client consents to the collection, use, processing,

disclosing or transferring of the Client's information as described in these Terms provided that the Bank obtains an individual's express consent in relation to the individual's personal information that constitutes sensitive personal data (as defined in the Data Protection Law). If the Client provides the Bank with personal data concerning other individuals (such as a spouse or civil partner) the Client confirms that it has obtained their express consent to the Bank collecting and processing their personal data as described in these Terms, and can demonstrate this to the Bank if requested. Where the Client is a corporate customer, the Client confirms that in respect of each individual whose information the Client provides to the Bank (such as a director or beneficial owner) the Client has obtained their consent for the Client to provide the personal data to the Bank and for the Bank to process it as described in these Terms, and the Client can demonstrate this to the Bank if requested.

- 9.11 By agreeing to these Terms the Client also confirms that the Client consents to the Bank's use of third parties to provide the Client with information and/or to process transactions, some of which may require the Client's information. The Client agrees to such disclosure and further agrees that the Bank and/or RBC shall not be liable for any direct or indirect technical or systems issues, consequences, or damages arising from the Client's use of any third party's website or information provided to such third party by the Client or the Bank to process the Client's transactions.

## 10. CONFIDENTIALITY

- 10.1 The Bank may only disclose or transfer a Client's information for the purposes set out in these Terms to:
- (i) its and RBC's employees, agents and service providers, who are required to maintain the confidentiality of this information;
  - (ii) companies and organisations that assist the Bank to process transactions under these Terms including, but not limited to, stock exchanges and clearing houses;
  - (iii) regulatory, police authorities or law enforcement and fraud prevention agencies, where the Bank or RBC is compelled or permitted or required to do so by order of a court or governmental or administrative tribunal or by law, regulation or any other legal requirement;
  - (iv) credit reporting agencies, who the Bank provides credit, financial and other related information and who may share it with others;
  - (v) any joint Client with whom you hold a joint Account, and/or any person you nominate in the Application Form (or otherwise) as having authority on your Account;
  - (vi) any person to whom the Bank may assign or transfer its rights and/or obligations under these Terms or any third party as a result of a

restructuring, sale or acquisition of the Royal Bank of Canada or any of its direct or indirect subsidiaries, provided that the recipient uses the information for the same purpose as it was originally supplied to the Bank and/or used by the Bank;

- (vii) such persons as the Bank believes is necessary where a failure to make such disclosure would result in damage to the Bank's reputation or good standing, expose it to civil or criminal prosecution in any jurisdiction or where failure to make such disclosure would in the opinion of the Bank be prejudicial to the Bank, RBC, its nominees, advisors or agents or to such other person that the Bank or RBC believe in good faith has a right to make a request for disclosure; and
- (viii) any other person where disclosure is made at the Client's request or with the Client's consent (including the Client's advisors or agents), or if otherwise permitted by these Terms.

## 11. NOTICES AND OTHER COMMUNICATION

- 11.1 The Client hereby authorises the Bank to telephone the Client to discuss matters relating to the Account.
- 11.2 The Bank records telephone conversations and may monitor telephone calls both received by and made by employees of the Bank. Any such recordings remain the property of the Bank, and may be used by the Bank to gather information for the purposes of security, marketing, statistical analysis and systems development or in the event of a dispute.
- 11.3 Telephone calls made by the Bank may be recorded for direct marketing purposes and notice of this shall be given at the beginning of any such call. If the Client does not wish to continue with a direct marketing telephone call, the Client should respond accordingly and the Bank will terminate the call.
- 11.4 The Bank may monitor all emails or other electronic means of communication to gather information for purposes of security, marketing, statistical analysis and systems development or in the event of a dispute.
- 11.5 Subject to Clause 11.6 any letter, notice, correspondence, or other document ("Communication") will be sent to the Client at the latest correspondence address held by the Bank, unless the Bank is otherwise instructed by the Client in a manner acceptable to the Bank. A Communication sent to the Bank should be provided by mail to the registered office where the relevant Account is maintained or if by fax, to the fax number provided for communications for the relevant Account provided to you with your Account opening acceptance letter.
- 11.6 All Communications to be given or delivered to the Client pursuant to the Agreement may be given by or delivered to the Intermediary (at the last address of the Intermediary in the records of the Company) on the Client's behalf.

- 11.7 The Bank has no responsibility for and shall not be liable for any loss or damage which may arise directly, indirectly or consequentially from the Client's failure to advise the Bank of any changes in the Client's address or other details.
- 11.8 Notices may be sent by delivery, pre-paid post or fax and shall be deemed to have been received (i) if delivered, at the time of delivery, (ii) if by fax (provided a confirmation answerback has been received), immediately and (iii) in the case of prepaid post, 72 hours after posting (except where the notice relates to a Client Instruction sent by post, in which case such Instruction will be received when actually received by the Bank). Where the Client has subscribed to the Bank's Online Banking Services, notices may also be sent to the Client (or in accordance with Clause 11.7 to the Intermediary) by email and will be deemed to have been received on the day of dispatch.
- 11.9 Any Communication sent to a Client who is a co-owner of a joint Account will be deemed to be sufficient Communication in respect of co-owners of such joint Account.

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## 12. COMPLAINTS

Should you be dissatisfied with any aspect of the services provided to you, you should write to the Bank at the relevant office or branch at the address provided at the end of these Terms, addressing your complaint to the Managing Director. Your complaint will then be dealt with in accordance with the Bank's complaints procedures, which will ensure that an initial response is sent to you within five working days. The Bank has a leaflet that explains the Bank's complaints procedures in detail and which is available upon request from the Bank.

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## 13. SEVERABILITY

If at any time one or more of the provisions of the Terms becomes invalid, illegal or unenforceable in any respect, that provision shall be severed from the remainder and the validity, legality and enforceability of the remaining provisions of these Terms shall not be affected or impaired in any way.

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## 14. GENERAL

- 14.1 These Terms may be amended from time to time by the Bank. If the amendment is to your disadvantage, then we will send you a formal notification together with a summary of the major changes and their impact ("Personal Notice"), at least 30 days in advance of the change coming into effect. If the amendment is not to your disadvantage, then we may make the changes immediately and tell you about them within 30 days ("General Notice"). The amendment to the Terms will be deemed to have been accepted by the Client if no objection has been notified by the Client to the Bank, in writing, within 30 days of receipt of the Personal Notice or the issuance of the General Notice. The Terms and any notices regarding amendments will be published on the Bank's website ([www.rbcwealthmanagement.com](http://www.rbcwealthmanagement.com)).
- 14.2 The Client shall indemnify and hold harmless the Bank and its nominees, sub-custodians and agents against all

and any demands, claims or actions arising howsoever (and in any jurisdiction) in connection with the Account, its operation or the functions of the Bank hereunder except to the extent that the same arise from the gross negligence of the Bank.

- 14.3 the Bank shall not be liable for and the Client undertakes at all times to hold the Bank harmless and to indemnify the Bank from and against all losses, actions, suits, proceedings, claims, demands, damages, costs, charges, expenses and liabilities (or actions, investigations or other proceedings arising in respect thereof) whatsoever which may arise or accrue or be taken commenced made or sought from or against the Bank arising from the Bank acting on any instructions provided by an Intermediary purportedly on behalf of the Client where that Intermediary no longer has authority to act on the Client's behalf but the Bank has not been provided with notice revoking such authority. This indemnity shall continue in full force without limit in time, whether or not the Bank continues to provide the service and without prejudice to any other indemnity given in the Bank's favour.

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## 15. EXCLUSION OF SUPPLY OF GOODS AND SERVICES (JERSEY) LAW 2009

To the extent permitted by law, no statutory terms (which shall include warranties, conditions or other contractual provisions), rights, duties or liabilities imposed under the Supply of Goods and Services (Jersey) Law 2009 shall apply in relation to the Account, the Custodial Services, the Investment Services or any other service provided pursuant to these Terms.

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## 16. FORCE MAJEURE

The Bank shall have no liability for any failure or delay in the performance of its obligations hereunder or for loss or damage of whatever kind and wherever occurring resulting from factors over which it has no control including, but without limitation, acts of God, acts of civil or military authority or governmental acts, earthquakes, fires, storms, tempests, floods, terrorist acts, wars, civil or military disturbances, sabotage, epidemics, riots, accidents, labour disputes, strikes, industrial action, loss or malfunction of utilities, computers (hardware or software) or communication services, errors, omissions, distortions, interruptions and/or delays in transmissions or delivery of post or communications in any medium or format howsoever caused or for loss or damage of whatever kind and wherever occurring outside of the Bank's control.

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## 17. GOVERNING LAW AND JURISDICTION

The Terms shall be governed by and shall be construed in accordance with the laws of the jurisdiction in which the Account is maintained and the Client irrevocably agrees that the courts of such jurisdiction shall have non-exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with these Terms or any Account.

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## 18. COMMISSIONS

The Bank and other company that is part of RBC shall be entitled to retain any Permissible Commission which should or may

become payable to it, notwithstanding that such Permissible Commission is payable as a direct or indirect result of any dealing with Property which is or may become part of the Account. Any associate of the Bank being a banker, broker, investment advisor or engaged in any other profession, business or trade may without accounting for any resultant profit (to the extent that the resultant profit is a Permissible Commission) act in such capacity and perform any service in relation to the Account and on the same terms as with a customer. If a Client transfers a portfolio of investments to the Bank and it is determined that the Bank is permitted in accordance with applicable law, rules and regulations to receive a commission in respect of the transferring portfolio ("Transferred Permissible Commission"), the Bank will inform the Client of its intention to re-register the transferring investment and receive Transferred Permissible Commission.

## 19. INVESTMENT SERVICES

The Investment Services provided by the Bank are limited to the provision of (i) investment advice relating to funds, structured products and other offerings (such as dual currency deposits, which the Bank classifies as investment products) provided by RBC and certain third parties ("Investment Advice"); and (ii) a dealing service in respect of collective investment schemes (including, but not limited to, a fund of hedge funds, hedge fund, mutual fund or unit trust) (collectively "Funds") and certain structured products and other offerings (collectively "Other Investment Products") only. Both offerings are described in more detail below. Investment Services cannot be provided to Clients resident in certain jurisdictions, for example to residents of Canada or the USA. Should an existing Client, who has purchased an investment based upon investment advice provided by the Bank whilst residing outside of Canada or the USA, subsequently relocate to either Canada or the USA (or any other jurisdiction in which the Bank is not authorised to provide investment services), then the Bank would not be able to continue to provide dealing services and the Client would need to effect any sale of the investment directly through an outside broker or third party of their choice. The Client should be aware that when we recommend a transaction to you or enter into a transaction for you:

- (i) we could be buying or selling units in a fund where we are (or another RBC company is) the trustee, operator (or an advisor of the trustee or operator) of the fund; or
- (ii) we could be recommending the purchase or sale of a fund which one of our clients has given instructions to buy or sell;
- (iii) another RBC company could be the issuer of the investments or they could have been issued by a client of ours or of another RBC company; or
- (iv) we nor any other RBC company may otherwise have an interest, relationship or arrangement that is material in relation to the transaction concerned or which give rise to a conflict of interest.

You agree that we may provide either Investment Advice and/or the dealing service (in accordance with the Bank's Conflict of Interest Policy) despite any such interest and that neither we nor any other RBC company are required to account to you for any

income, gain, profit or other advantage arising from the same to the extent that these are Permissible Commissions.

### 19.1 Investment Advice

Please note that this service is only available from the Jersey branch of the Bank.

- (i) If a Client wishes to receive Investment Advice, then the Client will be required to complete an investment questionnaire reflecting information about the Client's (a) personal and financial circumstances; (b) investment objectives; (c) knowledge and experience of investments; and (d) appetite for risk and any other general information that the Client wishes the Bank to consider when preparing the Investment Advice.
- (ii) The Bank provides advice on investments from a restricted range (the "restricted range") of the available providers of investments of the same type. Only products provided through Royal Bank of Canada (Channel Islands) Limited, other companies within RBC Group of Companies and select third party providers are considered when preparing a proposal. The restricted list of products and providers utilised by the Bank is available on request. No Investment Advice is provided in respect of equities or bonds as part of this service.
- (iii) Investment Advice will be provided (a) based upon the information that the Client reflects in the duly completed investment questionnaire and other information available to us in relation to the Client; and (b) in the form of a written proposal that will outline the basis of the Investment Advice and reflect details of either the charges that will be levied by the Bank or how the Bank will derive its income from Permissible Commissions paid to the Bank via fee sharing arrangements with third party fund managers or administrators.
- (iv) Following consideration of the proposal, the Client may either (a) accept or reject the Investment Advice; the Bank is not responsible for making this decision for you; or (b) instruct the Bank or a third party to purchase the recommended investment (when the Bank is permitted in accordance with all applicable laws and regulations in Jersey or elsewhere, to do so).
- (v) Following acceptance of the Investment Advice and the making of the recommended investment by the Client, the Bank will not be responsible for continuously monitoring the investment for ongoing suitability or performance except where the Bank receives Transferred Permissible Commissions, in which case the Bank will provide an ongoing advisory service so long as the Transferred Permissible Commission continues to be provided in accordance with applicable law, rules and regulations in Jersey or elsewhere. Should

the Client's circumstances change however or the Client otherwise wishes to receive new Investment Advice then the Client may contact the Bank at any time.

- (vi) For the avoidance of doubt, the Bank does not provide ongoing market or product commentary in respect of any investment made by a Client based upon Investment Advice from the Bank.
- (vii) In addition to any Permissible Commissions and fees charged for the provision of Investment Advice, the Bank is also entitled to reclaim its reasonable expenses and costs (including time costs) in connection with any additional services which may be provided or matters relating thereto. The fees and charges associated with such additional services will be notified to the Client prior to the additional service being performed.
- (viii) Any Investment Advice provided in accordance with Clause 19.1 is not deemed to be exclusive and the Bank may render a similar service to others without reference to you. We reserve the right to decline to provide Investment Advice to you without explaining the reason why, or to cease to offer Investment Advice absolutely.

#### 19.2 Dealing service

Please note that the dealing service in respect of Funds is available to both Guernsey and Jersey Clients but all trading is executed by the Jersey branch of the Bank whereas the dealing service in respect of Other Permitted Investment Products is available from both the Guernsey office and Jersey branch of the Bank.

- (i) The Bank will only accept dealing instructions in respect of Funds and Other Investment Products (as defined by the Bank from time to time) subject to the deadlines and criteria prescribed by the Bank from time to time and outlined in the Literature relating to the dealing service that is provided to the Client. The dealing service is available to all Clients irrespective of whether they have received Investment Advice from the Bank. The Bank reserves the right to decline to accept any dealing instruction without explaining the reason why, or to cease to offer the dealing service absolutely.
- (ii) Instructions to purchase or sell holdings in Funds (each a "Fund Order") will only be accepted (i) in writing or by fax (or email subject to completion of the appropriate indemnity); and (ii) on the basis that Fund Orders for unit trusts will be effected on the date of the next dealing cycle and that Fund Orders for Hedge Funds will be effected on the dealing date specified by the Client.
- (iii) Instructions to purchase hedge funds not included within the Bank's Restricted Range, will be submitted within 72 hours of receipt provided all requested documentation has been

received, together with the applicable trade date, payment date and any hedge fund dealing restrictions which could affect the transaction.

- (iv) Instructions in respect of Other Permitted Investment Products (each a "Non-Fund Order") will be accepted in writing or any other form specified by the Bank as being acceptable from time to time.
- (v) All Fund Orders and Non-Fund Orders (collectively the "Trade Orders" and each a "Trade Order") will be accepted on an "execution only basis" unless the Bank has provided Investment Advice to the Client in the manner outlined in Clause 19.1.
- (vi) Charges (based upon the fee tariff agreed with the Client) will be levied for processing each Trade Order and will be debited to the Client's Account on the settlement date of the Trade Order.
- (vii) Following receipt of a Fund Order the Bank will (i) in the case of unit trusts, input the required deal into the Euroclear Funds Settle system or (ii) in the case of funds, submit the required purchase or sale instruction directly to the relevant fund administrator.
- (viii) You shall promptly take all action necessary (including the supply of any information or confirmation) to enable due settlement of any transaction entered into by us under these Terms.
- (ix) Monies to cover any purchase Trade Order (in the correct currency for the transaction concerned) must be made available to us at such time as we specify to you, together with any Permissible Commissions and charges due in respect of the transaction as advised to you.
- (x) The Client acknowledges that:
  - (a) from time to time Fund Orders may require the Bank to pay subscription monies to a fund manager or administrator in advance of the transaction date and in advance of the fund manager or administrator having issued confirmation of entitlement to the investment being purchased. The Client authorises the Bank to make such advance payment of subscription monies from the Account and the Client accepts that such payments are at the Client's sole risk except in the event of gross negligence on the part of the Bank, but otherwise the Bank shall not be liable for acting in this manner or for any acts or omissions of such fund manager or administrator;
  - (b) any transaction in shares and/or units will be subject to the terms of



- the relevant fund, as set out in that fund's constitutive and/or offering documentation, and the Client warrants that the giving of a Fund Order (whether via an Intermediary or otherwise) to the Bank constitutes a confirmation from the Client that the Client (a) has reviewed, understands and accepts the terms of the relevant Fund and (b) is in full compliance with the terms of the relevant Fund, including any eligibility requirements or restrictions;
- (c) that in respect of unit trust dealing and transactional cut-off times, the time for setting up a unit trust varies between three and ten working days, dependant on the fund manager. The Bank will undertake to action the set-up request within 24 hours of receipt of the instruction.
- (d) the Client is wholly responsible for ensuring that all aspects of the relevant fund (including any applicable withholding taxes, exchange controls or other financial restriction(s) are acceptable and suitable and that investments in some funds may involve risks that could lead to the value of the Client's investment falling as well as rising. This could lead to a loss of all or a substantial portion of the Client's initial investment;
- (e) the Client should fully understand the nature of and potential risks of investing in the relevant fund, and unless they have received Investment Advice from the Bank, should if appropriate, take professional advice particular to their financial circumstances before making their investment decisions (including whether the Client has been introduced to the services by an Intermediary);
- (f) subscriptions for shares and/or units in a fund will be subject to:
- (i) acceptance by the fund manager or administrator or directors of the relevant fund at its or their absolute discretion; and
  - (ii) the satisfactory and timely completion and submission of that fund's subscription documentation including satisfying the fund's anti-money laundering requirements, which may or may not (at the fund's absolute discretion) include providing documentary
- evidence to verify the identity of the Client;
- (g) with certain types of fund the redemption of shares and/or units may be effected at a "provisional price" with:
- (i) the redemption monies being subject to amendment once a "confirmed price" is available; and
  - (ii) settlement of the redemption monies being subject to staggered settlement payments with a portion of the settlement monies being retained by the fund manager or administrator of the relevant fund pending determination of the "confirmed price";
- (h) once a Trade Order has been placed by the Bank, then the transaction cannot be cancelled and will be automatically settled on the due date even if said act will result in the Client's Account going overdrawn;
- (i) the Client is responsible for ensuring or procuring that the Intermediary ensures that any Trade Order given to the Bank is executed by the Bank in accordance with the Client's expectations and that in the event that the Client has not received a transaction advice in respect of a particular Trade Order within three working days of the expected dealing date, to immediately notify the Bank accordingly. The acknowledgements outlined in Clause 19 (ix) will be deemed to have been reconfirmed by the Client each time the Client or an Authorised Person submits a dealing instruction in respect of a Fund Order to the Bank.
- (i) We may occasionally combine a transaction for you with our own orders and orders of RBC companies or other clients but it will not have an effect on the price that you receive.
  - (ii) We shall use reasonable endeavours to execute any Trade Order promptly, but in accepting any Trade Order we do not warrant or represent that it will be possible to execute your Trade Order at all or that execution of the Trade Order will be possible within the terms of your Instructions.

- (iii) You will receive a contract note confirming the details of any transaction made for you. It will be sent to you no later than the first business day after the transaction, or if relevant, after we receive confirmation of the transaction from a third party.
- (iv) As stated in Clause 19.1 (iii), the Bank may receive Permissible Commissions from third parties in respect of certain investments made by Clients who have acquired said investments based upon Investment Advice received from the Bank. The Bank has not entered into any arrangements with third parties to automatically receive commissions in respect of Orders effected on an execution only basis but may from time to time receive certain payments as a result of booking or recording errors made by the third parties concerned.
- (v) All Clients using the Dealing Service provided by the Bank's Guernsey office will, where necessary for purposes of the Licensees (Conduct of Business) Rules 2009 issued by the GFSC, be categorised as a "retail client" unless otherwise advised in writing by the Bank.
- (vi) All Clients receiving investment advice from the Bank's Jersey office, will, where necessary for the purposes of the Financial Services (Jersey) Law 1998, Investment Business Codes of Practice issued by the JFSC, be categorised as a "retail client" unless otherwise advised in writing by the Bank.

19.3 Risk warning (for Clients using the Investment Services)

All investments involve a degree of risk and some investments are more risky than others. This section describes some of the risks which could be relevant when using the Investment Services provided by the Bank. We may provide further risk information to you from time to time, as appropriate. Prices can fall as well as rise and there is a risk that you may lose some or all of the monies that you invest. Past performance is no guarantee of future performance. Income can fluctuate and is not guaranteed. Some funds may use or have the ability to use gearing as an investment strategy or may invest in other funds or companies that may use gearing. The risk profile of funds using gearing is

higher than those which do not employ gearing and will increase according to the level of gearing employed. Where a fund employs gearing, (i) it may be subject to sudden and large falls in value and (ii) movements in the price of the fund are more volatile than the movement in the price of the underlying investments and there is a risk that you may lose all the monies you have invested. Movements in exchange rates may also have an independent effect, which may be favourable or unfavourable, on the gain or loss otherwise experienced on an investment.

Investments in derivatives or warrants may:

- expose you to leveraged movements in the value of the underlying security on which such derivatives or warrants are based;
- carry additional counterparty risk that a direct investment in the relevant underlying security may not;
- exhibit greater volatility due to lower liquidity;
- subject you to contingent liabilities (such as to post collateral or margin) or to make future payments;
- require you to pay additional sums to exercise the relevant derivative or warrant to benefit from such derivative or warrant;
- only allow you to trade or exercise your rights at specific times and on specific dates which may need to be carefully monitored;
- not be able to be sold or terminated prior to their maturity date (or if possible at a substantial penalty), and;
- in the case of selling (or "writing") options where you do not own the relevant underlying to be delivered, expose you to large losses if the price moves significantly and you have to purchase a now substantially devalued asset or purchase an asset that has now risen significantly in value.

The risks of loss from investing in commodity and financial futures, foreign exchange contract securities, warrants and index contracts and options can be substantial. In respect of our Custodial Service, Property held through subcustodians or with clearing systems may be subject to different insolvency rules than would be applicable if the assets were subject to the regime in Jersey or Guernsey, and such foreign insolvency rules may not provide the same protection to the Property as would be provided to bare trust assets in Jersey or Guernsey. Further, in the event of an insolvency of any such sub-custodian or clearing system, the Bank in its capacity as custodian may only have a claim on the pool of equivalent securities held with such sub-custodian or clearing system, and if the pool of equivalent assets is not large enough to satisfy all such claims, those assets are divided among the relevant entities in proportion to their claims in which case the Client may suffer a loss. Further, where cash subject to the Custodial Service

is placed with third party banks, such assets shall be segregated from the Bank's assets with such third party bank, but they will still be subject to the insolvency of such third party bank and may not be covered by deposit insurance, in which case the Client would suffer a loss.

Deposit Accounts held with the Bank are subject to the risk of the Bank's insolvency save for any applicable protection provided by deposit insurance as described in Clause 3.1 of these Terms.

Securities recommended to you may be subject to price stabilisation. Price stabilisation allows the price of a new issue security to be maintained at an artificial level when it is first issued to the public, which can also impact the price of any securities which relate to or are derived from the price of such security. Stabilisation is usually conducted by the investment bank which manages a new issue and may prevent the price of a new issue falling to the level it would otherwise due to purchases by the manager. Stabilisation only can occur for a regulated period of time and should not be used as an indication for the actual demand for such security that would occur if stabilisation was not being carried out.

If you are in any doubt about the suitability of any investment you should seek appropriate advice prior to investing.

any information or quotations provided by a third party, and you shall waive to the fullest extent permitted by applicable law any liability of the Bank in respect of any information or quotations provided by a third party.

#### 20.4 Custody Service

- (i) This service allows the Client to hold a wide range of assets and investments (including for example equities and bonds, among others) as permitted by the Bank from time to time and specified in the Literature relating to the service. Charges are levied in accordance with the Fee Schedule issued to and agreed with the Client.
- (ii) Cash Accounts to hold the Client's cash pursuant to the Custody Service will be opened as requested from time to time by the Client.
- (iii) Valuations are provided quarterly (as at March 31, June 30 etc) or on the frequency agreed with the Client.

#### 20.5 Safekeeping Service

Please note that this Safekeeping Service is only available to clients who have been provided with Investment Advice by the Bank and then purchased the recommended investment using the Bank's Dealing Service.

- (i) Under this service the Client is only allowed to hold a limited range of Funds and Other Investment Products as defined by the Bank from time to time and specified in the Literature relating to the service. Charges are levied in accordance with the Fee Schedule applicable to this service. For the avoidance of any doubt please note that although the Bank has classified certain products (such as dual currency deposits, range deposits, etc.) as investment products for the purposes of the giving of Investment Advice and the Dealing Service, such products will be booked directly in the name of the Client and will not be held as part of this safekeeping service.
- (ii) Separate Cash Accounts are not opened or provided as part of this safekeeping service.
- (iii) Valuations are provided biannually as at June 30 and December 31 for Clients of the Bank's Jersey branch and quarterly (as at March 31, June 30, etc.) for Clients of the Bank's Guernsey office.

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## 20-24 ADDITIONAL TERMS AND CONDITIONS RELATING TO CUSTODIAL SERVICES

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### 20. CUSTODIAL SERVICES

- 20.1 The Bank offers two Custodial Services namely (i) the Custody Service and (ii) the Safekeeping Service (which are described in Clauses 20.4 and 20.5) from its office in Guernsey and its branch in Jersey. The Bank will not provide Custodial Services until such time as the Bank has received a duly completed Application Form for the relevant service from the Client, completed to the satisfaction of the Bank, and such other documentation and information as the Bank may require.
- 20.2 Clients of both services will be required to specify (in the Application Form for the relevant service) the currency in which all Property held in the Account is to be expressed in when Valuations are prepared by the Bank for the Client (the "Base Currency").
- 20.3 Property held in the Account will normally be valued at midmarket close of business quotations as supplied by an external source or at cost where there is no established market, unless otherwise agreed in writing. Property valued in currencies other than the Client's Base Currency will be nominally converted, for reporting purposes, to the Client's designated Base Currency based upon the Bank's prevailing exchange rate at the time of conversion. The Bank's duties in respect of valuing the Property shall not extend beyond the obligations described above, and for greater certainty, the Bank shall be under no obligation (under contract, tort, or any other applicable analogous law of obligations) to conduct any diligence to verify or confirm

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### 21. CUSTODIAL SERVICE (MISCELLANEOUS)

- 21.1 Valuations produced by the Bank and provided to the Client from time to time may include market price information ("Market Price Data") that has been provided to and used by the Bank under a license agreement granted by a third party. The Client acknowledges and accepts and shall procure that the Intermediary acknowledges and accepts that Market Price Data may only be used for their own internal purposes. The Client also warrants that the Client will not and shall procure that the Intermediary will not

- (i) copy the Market Price Data;
  - (ii) distribute, disclose, disseminate or communicate the Market Price Data to any third party by any means whatsoever, for any reason; or
  - (iii) create any derivative works from the Market Price Data or remove any proprietary markings from the Market Price Data.
- 21.2 The Client acknowledges that the Bank will hold any Property as nominee and bare trustee for the Client and that the Bank will not be liable for any depreciation in the value of the Property.
- 21.3 The Bank will at the request and cost of the Client transfer the Property to such persons or otherwise deal with the Property at such times and in such a manner as directed by the Client or the Authorised Person(s) and will at all times execute such documents and do all such acts and things as may be necessary to procure the appropriate registration or completion of any formalities to give effect to any such transfer or dealing.
- 21.4 In the absence of Instructions to the contrary, the Bank shall:
- (i) hold all bearer securities in safe custody and all registered securities in the name of the Bank or its nominees or its sub-custodians or in such other name as may be appropriate under the laws of the countries having jurisdiction over the issuers of the relevant securities; and
  - (ii) collect, receive and hold dividends, interest, coupons and other income and other payments of any kind with respect to the Property; and
  - (iii) execute ownership and other certificates and affidavits in connection with the collection of dividends, interest, coupons and other income, setting forth in any such certificates or affidavits the name of the Client as the beneficial owner of the Property; and
  - (iv) present for payment all coupons and other income payments requiring presentation; and
  - (v) present for repayment any Property that may mature or be called, redeemed or retired or otherwise become repayable.
- 21.5 The Bank shall have the right at any time to refuse to accept delivery of any Property, which is:
- (i) nil or partly paid or which in the opinion of the Bank may involve the Bank in any liability (contingent or otherwise) or is otherwise of an onerous nature; or
  - (ii) delivered to the Bank and not properly identified as for the Account of the Client or in respect of which Instructions have not been received; or
  - (iii) of a type or classification that the Bank is not prepared to hold within either the Custody Service or the Safekeeping Service.
- 21.6 In the event that the Client arranges to purchase or sell a security or other tradeable instrument directly with a third party broker (each a "Trade"), then the Client will be required to provide details of the Trade to the Bank in the manner and within the deadlines prescribed by the Bank from time to time and outlined in the Literature relating to the Custodial Services. The Client is responsible for ensuring that (i) sufficient funds are held in their account to cover any Trade relating to purchases; and (ii) the appropriate security or transferable instrument is held in their account relating to any sales. Trades relating to purchases will be processed by the Bank for contractual settlement whereas Trades relating to sales will be settled on a delivery versus payment basis (i.e. a trade is subject to the condition precedent that the cash in respect of the sale is received from the third party broker). Please note that (i) delivery of shares is conditional and reliant on timely settlement by the broker and (ii) the Bank reserves the right to cancel and reverse entries for any unmatched trades that remain outstanding for more than 14 days.
- 21.7 Dividends or other income due in respect of Property held by the Bank for the Client will be processed by the Bank on a receipt only basis. The Bank reserves the right to correct any dividend or other income entry in the event that revised details are subsequently received from the market or paying agent.
- 21.8 The Bank shall be under no obligation to maintain any insurance in respect of any Property deposited with the Bank for safekeeping or held by the Bank's nominees or sub-custodians.
- 21.9 The Client acknowledges that in the event that any demand is made against the Bank or its nominees, sub-custodians or agents in its capacity as the registered owner of the Property for payment of any sum due or the Bank requires any Instructions in the event of a corporate action and the Bank is unable to obtain such Instruction which the Bank in its absolute discretion considers adequate and proper, then the Bank will proceed in any one or more of the following ways:
- (i) Take no action on a particular matter;
  - (ii) Take no further action at all in relation to the Property;
  - (iii) Seek guidance from the agent or take up the default option offered by the agent (if one is provided);
  - (iv) Utilise any part of the Property in or towards the satisfaction of any such demand; or
  - (v) Transfer all or any part of the Property into the name of Client, provided that the Bank has provided the Client with notice that the provisions of this Clause shall apply and the Client has not taken such action that was specified in the notice within the timescale specified by the Bank. The Client further acknowledges that no liability shall be attached

to the Bank in respect of or arising out of any action or inaction which the Bank may take or not take in accordance with the provisions of this Clause. For the avoidance of doubt, any action taken by the Bank as a result of the non-receipt of the required Instructions does not constitute the exercising of discretion by the Bank for the purposes of investment business regulations.

- 21.10 The Client agrees that the Client shall not request the Bank to carry out any Instruction in relation to the Property that contravenes;
- (i) any law whatsoever governing the issue or transfer of the Property; or
  - (ii) any code or regulation governing the dealing of securities or other assets.
- 21.11 The Client agrees that the Bank may appoint nominees, subcustodians and agents in any part of the world in connection with the performance of any of the Bank's obligations under these Terms and the Bank shall not incur any liability whatsoever arising from the negligence, fraud or default of any such nominee, subcustodian or agent appointed in good faith.
- 21.12 The Client acknowledges that the Bank will not (and will ensure as far as possible that any nominee, sub-custodian or agent will not on behalf of the Bank) exercise any voting rights in respect of the Property unless the Client or an Authorised Person has in advance provided the Bank with Instructions to exercise such voting rights.
- 21.13 The Client acknowledges that although the Bank will make all reasonable efforts to forward any proxies, notices or other communications received by the Bank in connection with any tender offer, reorganisation, merger, consolidation, rights issue, stock dividend, stock split or other similar event concerning the Property, the Bank shall not be responsible or accept any liability for any failure to forward any such communications in sufficient time to allow Instructions to be provided to the Bank regarding the matter.
- 21.14 The Client acknowledges that cash in lieu of fractional share entitlements which may arise from corporate actions concerning the Property, including but not limited to those described in Clause 21.13, will be credited to the Client's Account maintained with the Bank, subject to a minimum of £10 per entitlement or the currency equivalent thereof. Amounts of less than £10 or the currency equivalent thereof will not be allocated to the Client and will be retained by the Bank.
- 21.15 Unless previously agreed between the Client and the Bank, the Bank will not forward to the Client any annual or periodic reports, notices or other communications received in connection with the Property.
- 21.16 You shall indemnify (by way of compensation to) the Bank for all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest,

penalties and legal and other reasonable professional costs and expenses) suffered or incurred by the Bank arising out of or in connection with the Bank's, or its agents', actions properly taken in accordance with this Agreement where a third party (including without limitation, any liquidator, administrator, bankruptcy trustee or similar insolvency official from any jurisdiction) has made a claim against the Bank in relation to the Custodial Service (including, without limitation, claims for avoidance or claw back of transactions at an under value, or analogous claims, made in respect of Property held or formerly held pursuant to the Custodial Service). You acknowledge that in providing the Custodial Service, the Bank does not have any contractual obligation or duty of care to investigate or make inquiries regarding the value of the Property or any valuation of the Property provided by a third party in respect of the Property, and you agree to waive any liability of the Bank to the fullest extent permitted under applicable law, other than to provide such information as agreed under Clause 21.1 hereof and to hold such the Property as nominee or bare trustee for you, subject to Clause 21.2.

- 21.17 To the extent permitted by law, you agree that the indemnity and waiver of liability set out in Clause 21.16 shall apply equally to RBC as to the Bank.
- 21.18 Risk warning (for Clients using the Custodial Services)
- (i) In Designated Markets, the risks arising out of custody in Designated Markets (including risk relating to the sub-custodian arrangements) are significantly greater than they would be in relation to more established markets. Further to other provisions and disclosures in these Terms relating to Designated Markets where the Bank is providing safekeeping or custodial services (whether directly or through a sub-custodian) in respect of any assets, some of the specific liabilities or responsibilities which are contemplated by these Terms shall not apply to such services, as set out in this Clause 21.18.
  - (ii) Without limiting the foregoing, to the extent that the Bank employs agents to perform in the Designated Markets any of its obligations under these Terms, the Bank will not be responsible for any act, omission or default of any such agent (other than its affiliates or nominees) in its performance, and any negligence, wilful misconduct or lack of good faith of such an agent will not constitute the negligence, wilful misconduct or lack of good faith of the Bank for purposes of these Terms. However, for greater certainty, nothing in this Clause 21.18 is intended to limit the responsibility of the Bank under these Terms for the selection and on-going monitoring of such agents in accordance with its standard of care.
  - (iii) The Client acknowledges and agrees that it (and/or its managers or advisors) is responsible for apprising itself of the specific risks involved

in the investment and custody of securities in all jurisdictions and/or markets in which the Client or the Client's assets are located from time to time, and it agrees that the Bank does not bear any responsibility related thereto. As part of this responsibility, the Client (and/or its managers or advisors) should apprise itself of the specific additional risks in the Designated Markets, including seeking the consultation of one or more investment advisors experienced in the business structures and practices encountered in the relevant Designated Markets.

- (iv) The Bank will provide the Client with information regarding operating procedures and additional risks in relevant Designated Markets (in the case of additional risks, to the extent it becomes aware of such risks). Such information will be supplied in accordance with these Terms. Such information should be read carefully, but always in the context of the independent investigation carried out by the Client (and/or its managers or advisors) of the matters referred to in Clause 21.18 (iii) as the Bank does not verify such information and makes no representations or warranties whatsoever in respect thereof.
- (v) The Bank shall not be obliged to bring, defend or to otherwise act in relation to a claim in a Designated Market. The Client agrees that the Bank shall not be liable under any circumstances whatsoever for any loss whatsoever which the Client may incur in relation to a claim arising in or in connection with a Designated Market.

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## 22. NOTICES ISSUED UNDER THE COMPANIES ACT OF THE UNITED KINGDOM AND ANALOGOUS LEGISLATION OF OTHER JURISDICTIONS

Under the UK Companies Act 1985 and/or the UK Companies Act 2006, and under analogous legislation, rules or regulations of other jurisdictions, the Bank may be requested to divulge to a company or its agent the identity of those who the Bank knows or has reasonable cause to believe to be interested in any of the said company's shares. The Bank is deemed to be interested in shares even if interested only in the capacity of nominee. As such, we can be requested to give identity and address details of the true owners of shares, so far as is within our knowledge. The Bank's policy is not to disclose such information on receipt of a notice issued under the above Acts until such time as we receive a telephone or written authority from the Client to do so. Should the Client decide to not give this authority, a company may impose restrictions, which can include withholding of dividends or other rights or otherwise disenfranchising the shareholder.

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## 23. TERMINATION

- 24.1 Unless the Bank has told the Client that restrictions apply to a particular service or product, the Client may end its relationship with the Bank, or any service or product, by giving the Bank 30 calendar days' prior written notice.

- 23.2 Unless the service or product is for a fixed term, the Bank may terminate individual services, or its entire relationship with the Client, by giving the Client 30 calendar days' written notice by mail to the Client's last address shown in the records of the Bank, and that the Bank may do this without giving the Client any reason.
- 23.3 The Bank shall incur no liability to the Client for any direct or indirect loss or loss of profit that the Client may sustain as a result of the termination or suspension of a service, the Bank's refusal to provide a service to the Client or to accept monies or assets into an Account or the liquidation of the Client's assets or delivery of the proceeds of liquidation by cheque or any other means to the Client in accordance with Clause 23.8 of these Terms.
- 23.4 Upon the termination taking effect, the Bank shall cease to provide the relevant service to the Client in accordance with these Terms. Amongst other things, this means that the Bank will not accept any further Instructions to deal, will not arrange any further transactions and will no longer provide the relevant service.
- 23.5 The Bank shall initiate no further transactions in respect of an Account after the date termination takes effect, which shall be without prejudice to the completion of any transactions already in process of being arranged in respect of any investment.
- 23.6 The Bank may also terminate the Agreement or any service or freeze any Accounts without giving notice in advance if the Bank reasonably believes that the Client has seriously or persistently broken any terms of the Agreement or the Bank reasonably believes that maintaining its relationship with the Client, providing the service or maintaining the Account might be prejudicial to the Bank's broader interests or to the interests of RBC, such as, by way of example but not limited to:
  - (a) the Client is the subject of an investigation by any legal, regulatory or governmental authority;
  - (b) the Client relationship exposes the Bank or RBC to action or censure from any government, regulator or law enforcement agency;
  - (c) the Client gives the Bank any false or inaccurate information which the Bank determines in its sole discretion to be relevant information;
  - (d) the Client is convicted or charged but not yet convicted of fraud or dishonest conduct or dealing;
  - (e) the Client fails to comply with the terms of any transaction entered into;
  - (f) the Bank is not permitted or authorised to provide the service under the law of the country where the Client is registered or to which the Client is subject;
  - (g) the Client has failed to report, notify or file relevant documentation in the jurisdictions required in accordance with these Terms;

- (h) the Client has a bankruptcy petition presented against the Client (if an individual) or suffers a receiver, administrative receiver, administrator or liquidator being appointed over the Client or any of the Client's assets (if a body corporate) or the Client is subject to any equivalent procedure in any jurisdiction;
  - (i) the Client is unable to pay the Client's lawful debts as they fall due;
  - (j) the Client or the Client's assets are declared bankrupt (as defined under Jersey or Guernsey law, as applicable);
  - (k) the Client takes up residence in a country or becomes subject to the laws of a country where the Bank is not permitted or authorised to provide the service;
  - (l) unless the Client has notified the Bank in writing that the Client is acting on behalf of any third party or parties and has provided the Bank with the name or names of the third party or parties concerned, the Client operates the Account on behalf of any third party or parties and is not the legal and beneficial owner of the Account; or
  - (m) any information which the Client has provided to the Bank in relation to the Client's status, residence and domicile for taxation purposes is not complete and correct in all respects.
- 23.7 The Client will only be eligible to use the benefits and services provided to the Client under the Terms subject to the Client's status and after the Client has complied with any relevant eligibility criteria. Details of any applicable eligibility criteria may be varied by the Bank in accordance with these Terms. If at any point, the Client fails to meet any eligibility criteria, the Bank may terminate the Agreement, stop providing the relevant service or product or move the Client to an alternative service or product for which the Client does meet the eligibility criteria.
- 23.8 The Client acknowledges and accepts that in the event of termination in accordance with this Clause 23 of these Terms, the Client will be required to provide the Bank with instructions as to where to transfer the assets and cash held by the Bank or any subcustodian. If the Client provides the Bank with such transfer Instructions within the period specified by the Bank, the Bank will promptly effect such instructions (or direct its nominee and any sub-custodian to do likewise), except that where assets are not freely transferable, the Bank will sell or liquidate them at its discretion and account to the Client in cash. The Bank is entitled to retain and/or realise (or direct its nominee and any subcustodian to do the same) such assets as may be required to settle transactions already initiated and to pay any of the Client's outstanding liabilities. If the Client does not provide transfer Instructions to the Bank within the period specified by the Bank or the Client's Instructions cannot be effected for any reason: any cash in the Client's Account may be liquidated or withdrawn and the proceeds will be sent

to the Client in the form of a cheque or by direct transfer to any account held in the Client's name; and any other assets in the Client's Account may be liquidated by the Bank and the sale proceeds will be sent to the Client by cheque or by direct transfer to any account held in the Client's name. Any assets that are liquidated will be liquidated at current market prices. Liquidation of assets may be a taxable event and may incur fees. The Client should consult a tax advisor to determine what result, if any, liquidation may have on the Client's tax position. Any cash or assets that remain with the Bank following termination will be held by the Bank or its sub-custodian as bare trustee and the Bank or they will be entitled to levy charges for so doing. In such circumstances, the Bank will provide reasonable information in order to allow the Client to issue transfer Instructions but will provide no further analysis regarding the Client's cash or assets. The Bank may, in its sole discretion, maintain Cash Accounts for a further 90 days after the relationship is terminated to ensure that dividends, interest, coupons or other income relating to the Property previously held by the Bank is collected on behalf of the Client.

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## 24. ASSIGNMENT

- 24.1. The Client may not assign or transfer any of its rights or obligations under the Agreement without the prior written consent of the Bank.
- 24.2. Subject to any applicable laws, regulations or rules, the Bank may at any time assign its rights and obligations under the Agreement to another member of RBC or a company or firm authorised to carry on banking or investment business in the jurisdiction where the service is provided.

## Royal Bank of Canada (Channel Islands) Limited

### Guernsey office

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These Terms which are issued on February 20, 2016 ("the Issuance Date") are effective as at (i) March 20, 2016 for all new Clients accepted on or after the Issuance Date; and (ii) March 20, 2016 for all existing Clients as at February 20, 2016 who were given the required notice of the changes to the Terms on that date.

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