



RBCCM Best Execution Policy “Client Disclosure Canada”

**RBC Capital Markets
September 2024**

TABLE OF CONTENTS

Most Recent Changes:	3
1. Summary	4
2. Scope	4
3. Requirements	4
3.1 What is the “BEST EXECUTION” Obligation?.....	4
3.2 When does the Best Execution obligation apply	5
3.3 When does Best Execution “not” apply?	6
3.4 Specific Instructions from Clients	6
3.5 Application of Best Execution across Classes of Instruments	6
3.6 Execution Venues and Brokers	7
3.7 Matters Outside of the Control of the Participants	7
4. Governance and Oversight	8
5. Ownership and Responsibility for the Policy	9
6. Policy Review	9
7. Further Information on How We Handles Your Orders	9
8. Client Inquiries	12
ANNEX 1.0— Overview of Best Execution by Class of Financial Instrument	13
A1.1— Equities.....	13
A1.2— Fixed Income and OTC Derivative Products	13
A1.3— Structured Products	14
A1.4 — Listed Derivatives	14
A1.5— Foreign Exchange	14
ANNEX 2.0— Execution Venue	16

Most Recent Changes:

September 2024

Update	Section	Summary of Changes
Amendment	Section 3.2 When does the Best Execution obligation apply	The best execution factors for over-the-counter securities were updated.
Amendment	Section 3.4 Specific Instructions from Clients	Updated the factors RBC considers when routing inter-listed flow to foreign marketplaces
Amendment	Section 3.9 Client Disclosure of Best Execution Policies and Procedures	Amended the disclosure made to clients with respect to rebates and fees.
Amendment	Section 7 Further Information on How We Handle Your Order	The Canadian Securities Exchange ("CSE") Market-on-Close ("MOC") facility was added to the list of MOC facilities available in Canada
Amendment	ANNEX 1.0	Listed Derivatives and Foreign Exchange products were added to the list of financial instruments
Amendment	Annex 2.0 Execution Venues	Added additional foreign brokers that we use to route orders for handling and execution.
Amendment	Multiple sections	Update reference of CIRO instead of IIROC and update reference of CIRO CIDC rules instead of IIROC PLR.

May 2023

Update	Section	Summary of Changes
Amendment	Annex 2.0 Execution Venues	Added two additional venues that we use to route orders for handling and execution, specifically TSX Dark in CAD and MMCAP LLC in the US.

June 2022

Update	Section	Summary of Changes
Amendment	Section 3.3 When Does Best Execution Does not apply	Added Sponsored Access for Direct Electronic Access clients
Amendment	Section 4 Governance and Oversight	Added additional disclosure related to the Ownership of Tradelogiq and removed the existing ownership disclosure related to Aequis

July 2021

Update	Section	Summary of Changes
Amendment	Annex 2.0 Execution Venues	Added additional foreign brokers that we use to route orders for handling and

		execution.
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April 2021

Section 4.3— Application of Best Execution across Classes of Instruments: The use of artificial intelligence by RBCCM to achieve best execution for its client orders has been added.

1. Summary

RBC Capital Markets is the global brand name for the capital markets business of Royal Bank of Canada and its affiliates, including RBC Dominion Securities Inc.

RBC Dominion Securities Inc. and Royal Bank of Canada are separate corporate entities which are affiliated. RBC Dominion Securities Inc. (RBCDS) is a member company of RBC Wealth Management, a business segment of Royal Bank.

The purpose of this document to provide an overview on RBC Capital Markets (Canada) (herein referred to as “RBCCM”) order execution policy and approach to providing “Best Execution” to its clients (as defined below) in accordance with the Universal Market Integrity Rules “UMIR”, the “best execution of client orders and transactions” rules pursuant to the Corporation Investment Dealer and Partially Consolidated Rules (the “CIDC Rules”) published by the Canadian Investment Regulatory Organization (“CIRO”), and applicable securities laws in Canada.

This document is published and updated as necessary on our website at:

www.rbccm.com/en/policies-disclaimers.page

2. Scope

The Policy applies to business conducted with institutional (as defined in the CDIC Rules published by CIRO) and RBCDS wealth management’s trading desk clients (“Clients”) and applies to listed securities, over-the-counter (“OTC”) securities (see ANNEX 1.2), and foreign exchange-traded securities, securities undergoing a primary market transaction and, listed derivatives and OTC derivatives.

3. Requirements

3.1 What is the “BEST EXECUTION” Obligation?

Best execution is the requirement to take all reasonable steps to obtain the best possible result for you, taking into account price, costs, speed, likelihood of execution and settlement, size, nature and/or any other consideration relevant to the execution of an order or any other scenario where you place legitimate reliance on us to protect your interests (“Execution Factors”).

In order to achieve best execution when executing an order on behalf of a retail or institutional client, we take into account the following factors (the “Execution Factors”):

- Price at which the trade would occur
- Speed of execution
- Certainty of execution
- Transaction cost and risks relevant to the execution
- Size and nature of the order
- Likely market impact
- Any other consideration deemed relevant to the execution of an order

When considering these circumstances, RBCCM will also take into account the prevailing market conditions and also consider such factors as:

- Prices and volumes of the last sale and previous trades
- Direction of the market of the security

- Posted size on the bid and offer
- The size of the spread; and
- Liquidity of the security

For listed derivatives, RBCCM will also factor in additional considerations such as whether the order is part of a multiple order trading strategy, and if so, how those factors listed above will be considered as they relate to execution of the overall strategy.

With respect to institutional clients, when determining the relative importance of the execution factors, we will take into account the characteristics of:

- The client, including the categorization of the client as institutional or retail
- The client order
- The financial instruments that are subject of the client order
- The execution venues to which the client order can be directed

3.2 When does the Best Execution obligation apply

We owe you an obligation to take all reasonable steps to obtain best execution when executing orders on your behalf. We regard ourselves to typically be in receipt of an order and acting on your behalf where you legitimately rely on us to protect your interests in relation to the Execution Factors relevant to that transaction and to act on your behalf. This will include but is not limited to the following situations where we are:

- executing an order by dealing as your agent;
- executing an order by dealing as principal and taking the opposing side; and
- “working an order” on your behalf.

In all other circumstances, for example when we deal on our own account in response to a request for quote (“RFQ”), we will assess whether you are placing legitimate reliance on us to protect your interest in relation to the Execution Factors relevant to that transaction. In order to make this assessment the following four factors (the “four-fold test”) will be considered. These factors will be considered collectively and not in isolation; any one factor, or a combination thereof, may require us to apply best execution:

- which party initiated or solicited the transaction** - it is more likely that you will be placing reliance on us where we propose the transaction to you;
- whether there is a market practice and the existence of a convention to “shop around (i.e. seek quotes from other brokers)”** – it is more likely that you will be placing reliance on us in markets where there is not a convention for you to “shop-around (i.e. seek quotes from other brokers)” for a quote;
- the relative levels of price transparency within a market** - it is more likely that you will be placing reliance upon us where the level of price transparency available to you is not the same or similar to that available to us;
- information provided by RBCDS and any agreement reached** - it is more likely that you will be placing reliance on us where there are arrangements and agreements in place which state we will provide best execution and indicates or suggest a relationship of reliance.

RBCCM’s best execution obligations are designed to ensure fair pricing, when transacting on a principal basis in an over-the-counter security with a client. Accordingly, RBCCM will not:

- purchase over-the-counter securities for its own account from a client, or
- sell over-the-counter securities from its own account to a client, or
- transact in over-the-counter derivatives with a client. Except for when a transaction is executed at an aggregate price that is fair and reasonable, considering the following factors:
 - (a) in the case of over-the-counter securities, the fair market value of the securities and of any securities exchanged or traded in connection with the transaction at the time of the transaction.
 - (b) in the case of transactions in over-the-counter derivatives,
 - (i) the fair market value or settlement price of the equivalent listed derivative, and
 - (ii) the fair market value of the derivatives underlying interest and of any related derivatives involved in the same trading strategy, each at the time of the transaction.

- (c) the expense involved in effecting the transaction(s);
- (d) whether RBCCM is entitled to a profit; and
- (e) the total dollar amount at risk of the transaction(s).

Where RBCCM is transacting on an agent in an over-the-counter security with a client, RBCCM will not:

- purchase over-the-counter securities,
- sell over-the-counter securities or
- transact in over-the-counter derivatives, on behalf of a client for a commission or service charge in excess of a fair and reasonable amount, taking into account the following factors:
 - (a) the availability of the securities or derivatives involved in the transaction;
 - (b) the expense involved in effecting the transaction(s);
 - (c) the value of the services rendered by RBCCM; and
 - (d) the amount of any other compensation received or to be received by RBCCM in connection with the transaction.

We do not guarantee that we will be able to achieve best execution for every transaction received from you, however, in all cases we will comply with the Policy.

3.3 When does Best Execution “not” apply?

RBCCM's best execution obligation for FX and Structured Products may not apply in circumstances in which RBCCM is transacting with a Client as principal on the basis of a published quote, or one providing a response to a Request For Quote (RFQ) enquiry. RBCCM concludes that best execution is not owed as we consider that Clients do not place reliance on RBCCM. RBCCM's rationale for this is that such transactions are initiated by Clients, there is a convention for Clients to "shop around" by approaching several dealers for a quote, and a high level of price transparency exists.

RBCCM's best execution obligation does not apply in circumstances where we offer eligible institutional clients sponsored access to a Canadian Equity Marketplace. With sponsored access, buy-side direct electronic clients uses the marketplace's application to send orders directly to the conditional order venue therefore RBCCM only acts as a gatekeeper sponsoring the participation of the buy-side client. RBCCM does not have a duty to protect the client's interest in relation to the execution factors outlined in section 3.1.

3.4 Specific Instructions from Clients

Where you provide us with a specific instruction in relation to one or more Execution Factors, we will execute the order in accordance with those instructions so far as reasonably possible while maintaining adherence with respect to applicable market conduct and business conduct regulatory requirements, including our obligations under any securities laws and regulations. Where your instructions relate to only part of the order, in following those instructions we will be deemed to have taken all reasonable steps to provide best execution in respect of that part of the order. In respect of those aspects of the order not covered by your specific instructions, we will apply the Policy accordingly.

Please be advised that where you provide us with a specific instruction this may prevent us from taking some or all of the steps in the Policy that are designed to obtain the best possible result for the execution of your orders in respect of the elements covered by those instructions.

When routing an interlisted security to a US marketplace, we take into account a number of factors:

- client instructions regarding the handling, routing and execution of the order; and
- whether the order is originating from a US denominated trading account.

3.5 Application of Best Execution across Classes of Instruments

While the obligation to deliver best execution applies to all financial instruments, the differences in market structures or the structure of financial instruments means that it is necessary to apply the best execution obligations in a manner that takes into account the different circumstances associated with the execution of orders related to particular types of financial instruments.

RBCCM may leverage the use of artificial intelligence to deliver the best possible execution quality for its clients.

Determining the relative importance of the Execution Factors is a dynamic process and may depend upon several variables and characteristics. In determining the relative importance of the Execution Factors we will apply our commercial judgement and expertise, in light of the prevailing market conditions, as well as taking into account:

- your characteristics;
- the characteristics of your transaction;
- the characteristics of the financial instruments that are the subject of your transaction; and
- the characteristics of the execution venues to which your transaction can be directed.

In many circumstances, price will merit a high relative importance in obtaining Best Execution. However, in some circumstances, RBC may judge that other Execution Factors will be more important than price in obtaining the best possible result in the execution of the client order.

Additional guidance in relation to the following classes of financial instruments are set out in the ANNEX 1:

- Fixed Income and Over the Counter Securities;
- Equities;
- Structured Products; and
- Exchange Traded Derivatives and OTC Derivatives

3.6 Execution Venues and Brokers

In respect of each class of securities, ANNEX 2.0 lists those execution venues that should enable us to obtain on a consistent basis the best possible result for the execution of your transactions. This list may, from time to time, be updated and any new venue will be selected in accordance with the Policy and could include: regulated markets, multi-lateral trading facilities, crossing systems/dark venues, market makers and other liquidity providers.

The factors that have been considered in determining the attached list of execution venues may include the depth of liquidity a particular venue is able to offer, the likelihood of execution, speed of execution, reliability and system availability, historical trading activity and the robustness of the clearing arrangements.

In Canada, RBC executes transactions on exchanges and marketplaces that it may be a member of, and/or have an ownership interest. RBC may be a market maker, or otherwise act as principal, on various equity and option exchanges to which RBC route client orders. RBC may trade with client orders on these Canadian venues.

Transactions executed in the US or on a non-Canadian marketplace, will be handled by another broker which could include an RBC affiliate. In such cases, these orders will be required to be executed in accordance with the local rules and regulations and could result in the executing broker applying different criteria on the assessment on execution quality. The executing broker (i.e. RBC affiliate or other) in this case may have acted as principal or agent and as a result derived compensation from the transaction. Additional information is available upon written request.

Transaction in the US or a non-Canadian marketplace on inter-listed securities will be executed on a Foreign Organized Regulated Market "FORM" or Acceptable Foreign Trade Reporting Facilities ("TRFs") as defined by CRO.

RBC will not structure or charge commissions in a way as to discriminate unfairly between Execution Venues.

3.7 Matters Outside of the Control of the Participants

In certain cases, a result of system failures, disrupted markets or otherwise, it may be necessary to execute your orders in a different manner to that documented in the Policy for the securities in question. In such circumstances we will still seek to achieve the best possible result available for you in the prevailing circumstances.

4. Governance and Oversight

Monitoring

RBCDS monitors best execution arrangements on an ongoing basis to identify and implement any appropriate enhancements. This would include reviewing the order handling policy of our affiliates and or any other broker dealers we route client orders to ensure order handling conducted by affiliate and /or 3rd party brokers best align with RBC DS expectations respecting best execution.

RBCDS evaluates, on a risk basis, transactions in Relevant Orders to which the Best Execution Obligation applies for best execution and compliance with this policy through post-execution benchmarking and analysis.

The Committee receives reports relating to the monitoring program and will consider whether enhancements to this policy and/or best execution arrangements are required.

Client Disclosure

Canadian provincial and territorial securities laws require securities registered firms such as RBC Dominion Securities Inc. ("RBC DS") and RBC Direct Investing Inc. ("RBC DI") when they trade in or advise with respect to their own securities or securities of certain issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. RBCCM has established procedures that are designed to identify and manage such conflicts of interest. To understand how RBCDS identifies and addresses conflict of interest. Please visit the [Conflict of Interest Disclosure](#).

Please click on the following link for a lists of relationships as well as related and connected issuers of RBC DS or RBC DI: <https://www.rbcwealthmanagement.com/en-ca/phn/issuers-disclosure>

a) Canadian Marketplaces

Royal Bank of Canada ("RBC") holds a non-controlling equity ownership position in Tradelogic Group Inc. ("TGI"), and has representation on TGI's Board of Directors. TGI is a private company whose subsidiary Tradelogic Markets Inc. operates the Omega and Lynx Alternative Trading Systems (the "ATS Marketplaces"). RBC DS may, consistent with best execution and other applicable regulatory requirements, route your orders to the ATS Marketplaces in the normal course.

b) Order Routing and Treatment of Market Center Fees/Rebates

RBC Dominion Securities Inc. may from time to time establish order routing arrangements with certain exchanges, broker-dealers and/ or other market centers (collectively, "market centers"). These arrangements have been entered into with a view toward the perceived execution quality provided by these market centers, evaluated on the basis of price improvement performance, liquidity enhancement and speed of execution. All client orders that are subject to these order routing arrangements are sent to market centers that are subject to the principles of best execution.

RBC Direct Investing and/or RBC Dominion Securities Inc. may receive payment in the form of cash, rebates and/ or credits against fees in return for routing client orders pursuant to these order routing arrangements. Any remuneration that RBC Direct Investing or RBC Dominion Securities Inc. receives for directing orders to any market center reduces the execution costs for RBC Direct Investing and RBC Dominion Securities and will not accrue to your account.

RBC Direct Investing and/or RBC Dominion Securities Inc. may benefit from order routing arrangements by receiving favorable adjustments of trade errors from the market centres to which it routes orders. An affiliate of RBC Direct Investing acts as a market centre in certain securities and frequently trades as principal with RBC Direct Investing client orders and stands to realize profits and losses as a result of this trading. Although no formal agreements exist, an affiliate of RBC Direct Investing may receive a disproportionately large number of orders from those market centers to which RBC Direct Investing routes client orders.

RBC Direct Investing and/or RBC Dominion Securities Inc. manages these conflicts of interest through best execution policies and procedures. We continue to give priority to achieving best

execution and will not be influenced by any benefits or payments we may receive for routing client orders to specific market center. RBC Dominion Securities as an executing broker will take all reasonable steps to obtain best execution when executing an order in your behalf in accordance with applicable securities regulations.

5. Ownership and Responsibility for the Policy

The Policy is owned by Capital Markets Compliance, Canada.

6. Policy Review

RBCCM conducts an annual review of the Policy, as well as our order execution arrangements. The objective of this review is to assess whether there is any scope to improve the quality of the order execution delivered to you, by for example, including additional/different execution venues, considering whether the relative importance of the execution factors in different circumstances could be adjusted, or by modifying any other aspects of the Policy.

Such a review will be undertaken on a more frequent basis, if there is a material change that affects our ability to obtain the best possible result for the execution of your orders on a consistent basis using the execution venues listed in ANNEX 2.

7. Further Information on How We Handles Your Orders

We have further policies and procedures in place to ensure we execute and allocate your orders promptly and fairly, taking into account the need to manage any potential conflicts of interest that may exist between you, ourselves and our other clients.

We will execute your order in line with other comparable client orders sequentially and promptly, unless (i) the characteristics of your order or prevailing market conditions make this impracticable; or (ii) your interests require otherwise.

Where you do not provide specific instructions, we will execute and allocate your order as soon as reasonably practicable, unless we reasonably consider that delaying the execution of your order is in your best interests.

Consistent with Best Execution, we may reject or modify your order whenever we deem it necessary without any obligation to provide you with notice of any such rejection or modification. We are not liable for any loss, expense or damage you suffer if we reject or modify any instructions with respect to your order.

When executing your order we may decide to aggregate your order with a transaction for our own account or that of another client. Such aggregation will be taken, for example, to provide a better price to you or to reduce transaction costs by allowing us to execute in larger size. We will only aggregate your order if it is unlikely that the aggregation will work overall to your disadvantage. Where we are unable to fill an aggregated order in full, we will allocate the executed notional on a fair and equitable basis. We will endeavor to communicate the order execution and allocation status of your order to you soon as reasonably practicable.

Multiple Marketplaces in Canada

Recognizing that a client's order in a listed security can be executed on number of different Canadian venues. The following is meant to inform clients of conditions and activities that could affect them in this trading environment. RBC DS is committed to use all reasonable efforts to ensure that clients achieve "best execution" of their orders for securities that are quoted or traded on all Canadian marketplaces.

RBCCM follows the following procedures in order to meets its best execution obligations.

Principal Marketplace

Unless notified otherwise by RBC DS, the Default Marketplace for all securities listed on the TSX, whether or not the security is trading on other alternate marketplaces, will be the TSX.

Smart Order Routing

Where accessing markets electronically in Canada, RBCCM's routing decisions, including those processed within our algorithms, are made by our proprietary Smart Order Router (SOR) logic.

The primary objective of the SOR is to achieve the best possible outcome for our clients. RBCCM's interactions with execution venues are guided by objectively observed and calculated parameters.

The decision as to which execution venues and price points to target can be taken based upon both the explicit instructions accompanying the relevant order from the client, and the SOR's programmed parameters.

The SOR may potentially break the client orders into smaller sized "child orders" and send them to one or many execution venues, either in parallel or in sequence and will be responsible for determining the precise quantities, limit prices and timing of each child order always respecting the client's original instructions. Best execution obligations will be applicable on the child orders as well as on the overall original client order.

Hours of Operation for trading in Listed Canadian Securities and Listed Derivatives

RBC DS trading staff and systems will be available for order execution during between 9:30 am ET and 4:00 pm ET ("Hours of Operation"), Monday through Friday, not including statutory holidays in Ontario. Staff may be available outside of Principal Marketplace hours; however, order taking and/or trade execution outside of the Hours of Operation will be treated on a best-efforts basis.

Standard Handling of Listed Canadian Securities

Pre-open

An order received prior to the opening (9:30 AM) will be booked on the principal marketplace for execution on the opening. These orders will not be routed to the alternative marketplace, as not all marketplaces open at the same time. This may influence the price and the volume of an order which is entered for execution in the pre-opening period. For this reason, automated systems may not be relied upon during the pre-opening session to obtain best execution of client's orders, unless otherwise instructed by the client.

Post-Opening Market

Unfilled orders are moved to the post opening session of the marketplace where they were originally entered and will remain until the order is filled, expired, changed or cancelled. Order received by RBCCM trading team during the post opening session will be routed using a smart order router which will source out the best available market at the time of receipt of the order. The best market is the market that displays the best bid price and best offer price, offering the best liquidity, and where RBCCM has reasonably determined that the order has the best option for completion.

Changes to an outstanding order, or portion of an outstanding order, will be handled the same as a new order received and will be entered into the "best market" at the time of the change with the unfilled balance being entered on the principal marketplace.

In all efforts of achieving best execution, RBC DS may route client orders resting on an alternative marketplace to the primary marketplace if we feel such actions will increase the likelihood of obtaining an execution on our client orders.

After the close – 4pm

An order received after the 4pm may be held and entered the next business day in the preopening on the principal marketplace, or may be entered on a marketplace that offers afterhours trading, if requested by the client. These orders will not route to an alternative marketplace.

Risk Factors Trading in Extended Hours

Purchases and sales of securities outside of regular trading hours may entail special risks, including the following:

- a. **Risk of Lower Liquidity.** Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for customers to buy or sell securities, and as a result, customers are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, customer's order may only be partially executed, or not executed at all.

- b. **Risk of Higher Volatility.** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, customer's order may only be partially executed, or not at all, or customer may receive an inferior price in extended hours trading than customer would during regular market hours.
- c. **Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours or upon the opening of the next morning. As a result, customer may receive an inferior price in extended hours trading than customer would during regular market hours.
- d. **Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, customer may receive an inferior price in one extended hours trading system than customer would in another extended hours trading system.
- e. **Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
- f. **Risk of Wider Spreads.** The spread refers to the difference in price between what customer can buy a security for and what customer can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.
- g. **Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value ("IIV").** For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during the pre-market and post-market sessions, an investor who is unable to calculate implied values for certain derivative securities products in those sessions may be at a disadvantage to market professionals

Order Execution

Certain types of orders have specific handling implications in a multiple marketplace environment. These have been addressed as follows: **DAY ORDERS** A Day Order is an order to trade that expires if it is not executed the day that it is booked to the marketplace. Day Orders will be handled in accordance with the "Standard Handling of Orders". All Day Orders expire, if not filled in full, upon the close of the marketplace where the last portion of the order remains live, unless otherwise agreed to between the client and the Firm's representative.

Good Til Cancelled (Open) Orders

Open orders are orders that will remain open for 90 days. These orders will be entered on the TSX if they are not immediately executable on an alternative marketplace at the time of entry. The order will remain booked until executed, cancelled, or upon expiry after 90 days, whichever comes first.

Market Orders

A Market Order is an order to buy or sell a security at whatever prices are available in the marketplace to help ensure a complete and full fill. Upon entry to the marketplace, these orders require immediate completion, unless we reasonably consider that delaying the execution of your order is in your best interests. Market Orders will be handled in accordance with the "Standard Handling of Orders". These orders will expire, if not filled in full, on the marketplace where the last portion of the order remains live, at the close of the marketplace.

Limit Orders

A Limit Order is an order for a security at a specific minimum sale price or maximum purchase price that is not to be exceeded. Limit Orders will be handled in accordance with the "Standard Handling of Orders". The order will expire, if not filled in full, upon the close of the marketplace where the last portion of the order remains live.

Special Terms Orders

Special Terms Orders are orders with specific terms that are not executable in the regular marketplace. Special Terms Orders will only post to the Special Terms Market of the principal marketplace, unless

they are immediately executable on an alternative marketplace at the time of entry. Special Terms Orders will expire at the close of the principal marketplace.

Stop Loss orders

Stop Loss Orders are orders that become limit orders when a board lot is traded at, or superior to, the stop loss price on the marketplace in which the order has been booked. These orders will only be directed to the TSX until executed or expiry, whichever comes first.

Orders contingent on a complete fill

In situations where a client provides an order which is contingent either on acquiring a specific minimum volume of securities or a complete fill, RBC DS can accept the order, when agreed upon by your Investment Advisor or authorized representative. Typically these orders will not be immediately entered on a trading facility's or marketplace's central order book but will only be traded when a minimum volume or the entire order can be filled. It should be noted that RBC DS will consider trading opportunities on all trading facilities or marketplaces when filling such orders.

Fill or Kill Orders

RBC DS will accept "fill or kill" orders but will only execute these orders on the understanding that they will execute the fills on the trading facility or marketplace which will provide the best price for our client. All trading facilities and marketplaces will be reviewed for "fill" opportunities before the order will be "killed."

Market-on-close Orders

Two exchanges in Canada offer the Market-on-Close facility. TSX and CSE. All TSX orders must be entered on the TSX's MOC facility prior to 3:40 pm EST and will be executed at the calculated closing price for that security on the TSX. It should be noted that trading on the MOC facility will be executed at the same time as other trading facilities or marketplaces will be offering quotes on their visible order book and therefore RBC cannot guarantee that the order will be executed at the best price.

The Canadian Securities Exchange offers Market-on-Close facility for select eligible CSE listed securities. All order must be entered into the MOC before 3:56-3:57.

Disclosure of Marketplace

An order executed on one or more marketplace or alternative marketplace will be reported to the client using a single confirmation with the marketplace on which the order was filled will be identified by name on the confirmation.

8. Client Inquiries

Should you have any enquiries in relation to this document or the Policy please contact your usual business contact.

ANNEX 1.0— Overview of Best Execution by Class of Financial Instrument

The following sections provide an overview of when and how RBC will provide a client with Best Execution across different classes of financial instruments. Each section provides the general position of RBC in relation to each class of financial instrument. Our approach may differ, to that outlined, depending upon the particular circumstances of individual transactions.

A1.1— Equities

The types of Equity products traded by us encompass cash equities and exchange-traded funds. In line with Sections 4.0, where we execute Equity orders (including Limit Orders, Market Orders and At-Close Orders) on your behalf, we will owe a duty of best execution to you unless you have not allowed us any discretion in the execution of those orders. In applying our duty of best execution, we will when executing your orders consider any specific instructions and the relative importance of the Execution Factors in accordance with the Policy.

When determining the relative importance of the Execution Factors in relation to your order, we may utilize our Smart Order Routing System (“SOR”) to initiate a Price-Sensitive strategy (prioritizing Price as an Execution Factor). For EEA and US exchanges and marketplaces in the Policy for which we do not have access to price and volume data, your orders in financial instruments listed on those exchanges may be routed to our affiliate or third party broker, who may also utilize Smart Order Routing technology.

We will owe a duty of best execution in regard to any algorithmic execution functionality we may use in achieving a certain benchmark or execution strategy. If you are provided with access to algorithmic execution functionality, we will satisfy our duty of best execution in so far as we follow any specific instructions provided by you.

If you are provided with Direct Market Access (“DMA”), you will provide specific instructions for all Execution Factors and we will execute these orders accordingly. We will satisfy our best execution obligation by following those instructions.

Generally, where we transact with you as principal on the basis of a published quote, or one provided in response to an RFQ enquiry; we consider that best execution is not owed. Our rationale for this is that such transactions are initiated by you, there is a convention for Clients to “shop around” by approaching several dealers for a quote and a high level of price transparency exists across Equity markets.

In general, we will consider the most important Execution Factors to be Price, Likelihood of execution, and Speed of execution. Where no instructions are provided by you, we will typically use the following order of priority: Price, Likelihood of execution, and Speed of execution.

A1.2— Fixed Income and OTC Derivative Products

The types of Fixed Income products traded by us encompass cash bonds (including Government, Corporate, Supra-Sovereign and inflation-linked), vanilla OTC derivatives (including interest rate swaps, cross-currency swaps, basis swaps, asset swaps, inflation swaps, Asset-Backed Securities (“ABS”), Residential Mortgage- Backed Securities (“RMBS”), Collateralized Loan Obligations (“CLO”) and Loans.

Where we execute Fixed Income orders (including Limit orders, At-Close orders, Specified price/spread orders, and At-best orders) on your behalf, we will owe a duty of best execution to you unless you have not allowed us any discretion in the execution of those orders.

Generally, where we transact with you as principal on the basis of a published quote, or one provided in response to an RFQ enquiry; we consider that best execution is not owed. Our rationale for this is that such transactions are initiated by you, there is a convention for Clients to “shop around” by approaching several dealers for a quote, and there is also generally a high level of price transparency. In cases where the level of price transparency is limited, for example, with regard to certain OTC derivatives, ABS, and RMBS, we may consider that you place reliance on us and therefore we will owe a duty of best execution.

In general, we will consider the most important Execution Factors to be Price, Size, and Speed of execution. Where no instructions are provided by you, we will typically use the following order of priority: Price, Size, and Speed. RBCCM is required to make reasonable efforts to obtain a price for a client that is fair and reasonable in relation to prevailing market conditions.

In order to demonstrate compliance with the fair pricing requirement, the compensation or mark-up/mark-down (i.e., the spread) on a transaction must be reasonable and based on the fair market price of the security.

If a security is illiquid or otherwise hard to value, RBC will obtain quotes from other dealers and/or other sources to determine the “market value” of a hard-to-value security, RBC will contact at least three investment dealers that historically transacted in/or provided pricing details to obtain a “market value”.

A1.3— Structured Products

Where RBC deals with a client as issuer and counterpart, RBC will negotiate with its client the terms of a transaction for the purposes of structuring a bespoke security that reflects the client’s specific instructions. In these circumstances, RBC will deal with a client as principal in accordance with a client’s specific instructions, and therefore there is generally no expectation that RBC will be providing Best Execution. Further, the bespoke nature of the instrument means that it is not likely that there will be any comparable products available.

Where RBC receive an order from a client for or a Structured Product during the subscription period, by the timely transmitting of the order, Best Execution will be achieved as there is only one execution venue available.

Generally, where RBC transacts with a client as principal on the basis of a published quote, or one provided in response to an RFQ enquiry; RBC considers that Best Execution is not owed. RBC rationale for this is that such transactions are initiated by a client and there is a convention for Clients to “shop around” by approaching several dealers for a quote. The exception will be scenarios where RBC are likely to be the sole market maker in the instrument, thus limiting a client scope to “shop around”. In these cases, Best Execution obligations will be owed to a client.

With regard to unwinding positions in Structured Products, Best Execution obligations will be owed as a client may be considered to be a “captive client”, i.e. a client will not be in a position to “shop around” as a client can only unwind its position with its broker-dealer, RBC.

In general, RBC will consider the most important Execution Factors to be Price, Likelihood of execution, and Speed of execution. Where no instructions are provided by a client, RBC will typically use the following order of priority: Price, Likelihood of execution, and Speed.

A1.4 — Listed Derivatives

The type of listed derivatives traded by us covers Interest rate derivatives, Credit Derivatives, Currency Derivatives, Equity Derivatives and Commodity Derivatives.

When we execute orders on your behalf, RBC considers that best execution is owed to the client and exercises its discretion when executing the order using an algorithmic trading system or by manually sending the order to the trading venue.

When we become aware of client orders on both sides of the market, we facilitate the clients’ orders as a cross considering all the relevant pre-arranged trading rules of the execution venue.

RBC’s best execution obligation does not apply in circumstances where we offer eligible institutional clients sponsored access to the Montreal Exchange where buy-side direct electronic clients use the marketplace’s application to send orders directly to the venue therefore RBCCM only acts as a gatekeeper sponsoring the participation of the buy-side client. RBCCM does not have a duty to protect the client’s interest in relation to the execution factors outlined in section 3.1.

A1.5— Foreign Exchange

The types of Foreign Exchange (“FX”) products traded by RBC encompass Spot FX, FX Forwards, FX Swaps, and OTC Derivatives.

In line with Sections 4.0 and 6.0, where RBC executes FX orders (including Limit Orders, At-Best Orders, Price-Capped Orders, Time-sliced Orders, Stop Loss Orders, Fixing Orders, and for OTC Derivatives Spot-Firm Orders and Premium-Firm Orders) on behalf of Clients, RBC will owe a duty of Best Execution to

Clients. Where Clients provide specific instructions for some or all Execution Factors, rather than instructing RBC to use its discretion to execute, RBC will execute these orders according to those instructions and will therefore meet Best Execution standards with regards to those Execution Factors subject to the Client's instructions.

When determining the relative importance of the Execution Factors in relation to a particular Client order, the FX business may utilize its Smart Order routing System ("SOR"), "Loonix". When utilizing SOR, FX Trading should choose between the underlying strategies to attempt to get the best result for Clients; a Price-Sensitive strategy (prioritizing Price as an Execution Factor), and a Fill-Sensitive strategy (prioritizing Likelihood of Execution) are among the options available. FX Trading will owe a duty of Best Execution when determining the most appropriate strategy in relation to a particular Client order.

Where RBC executes orders subject to specific instructions or executes discretionary orders with no risk component (e.g. At-best orders) a fair, reasonable, and justifiable mark-up may be added. Where RBC is executing a discretionary order with a risk component (e.g. Price-Capped Orders, Spot-Firm Orders and Premium-Firm Orders) a fair, reasonable, and justifiable risk premium may also be included in the all-in-price provided to Clients. Further guidance on the execution of FX orders is provided in the RBC and RBC I&TS Global Policy on Foreign Exchange Sales & Trading, and the accompanying FX Sales and Trading Manual.

RBC will owe a duty of Best Execution with regard to any algorithmic execution functionality it may use in achieving a certain benchmark or execution strategy. Where Clients are provided with access to algorithmic execution functionality, RBC will satisfy its duty of Best Execution in so far as RBC follows any specific instructions provided by Clients.

Certain Clients may be provided with Direct Market Access ("DMA") on an agency basis, in which case the Client will provide specific instructions for all Execution Factors and RBC will execute these orders accordingly. RBC will satisfy its Best Execution obligation by following those instructions.

Generally, where RBC transacts with Clients as principal on the basis of a published quote, or one provided in response to a RFQ enquiry; RBC concludes that Best Execution is not owed as we consider that Clients do not place reliance on RBC. RBC's rationale for this is that such transactions are initiated by Clients, there is a convention for Clients to "shop around" by approaching several dealers for a quote, and a high level of price transparency exists across FX markets.

In general, RBC will consider the most important Execution Factors to be Price, Size, and Speed of execution. Where no instructions are provided by Clients, RBC will typically use the following order of priority: Price, Size, and Speed of execution.

All Global FX trading must adhere to the [RBCCM Global FX Procedure: Best Execution](#).

ANNEX 2.0— Execution Venue

The list below represents Execution Venues that should enable RBC to obtain on a consistent basis the best possible result for the execution of Client transactions. The Execution Venues List may, from time-to-time, be updated and any new Execution Venue will be selected in accordance with this Policy.

Execution Venue	Product
TSX Venture Exchange	Equities
TSX Inc.	Equities
Alpha Exchange Inc.	Equities
Aequitas NEO	Equities
Aequitas Lit	Equities
Bourse de Montréal	Options, Futures
Canadian Securities Exchange (CSE)	Equities
Nasdaq CXC	Equities
Nasdaq CX2	Equities
Liquidnet Canada Inc.	Equities
Omega ATS / Lynx	Equities
Canadian Unlisted Board	Equities
Pavilion Global Markets Ltd	Foreign Equities
RBC Capital Markets	Equity Structured Products, Fixed Income Structured Products
Canadian Derivatives Clearing Corporation	OTC Derivatives
Dark Execution Venue	Product
Instinet Canada Cross Limited (ICX)	Equities
MATCH Now (operated by CBOE)	Equities
Nasdaq Chi X Dark	Equities
NEO-D (Dark)	Equities
TSX Dark	Equities

Foreign Brokers/Affiliates	Region	Equities Product
Baycrest	US	Equity Options
Canaccord Genuity LLC	US	Equity Options
Citadel Securities, LLC	US	US Equities and Options
Citigroup Global Markets Inc	Europe	Foreign Equities
CSLA Americas	Global	Foreign Equities
DASH Financial Technologies	US	Equity Options
G1 Execution Brokers, LP	US	US Equities
GFI Group	US	Equity Options
Global Execution Brokers, LP	US	Equity Options
GTS Securities	US	US Equities
ICAP	US	Equity Options
Jane Street Execution Services	US	US Equities
Magen Financial	US	Equity Options
Marex Financial Group - OTCex	US	Equity Options
Market Securities	US	Equity Options
MCAP LLC	US	US Equities
Oscar Gruss and Son Incorporated	US	Equity Options
PGM Global	Global	Foreign Equities
RBC Capital Markets, LLC	US	Cash Equities
RBC Europe Limited	Europe	Cash Equities
StoneX Financial Inc	US	US Equities

Tradition	US	Equity Options
Tullet Prebon	US	Equity Options
Two Sigma Securities	US	US Equities
UBS Securities, LLC	US	US Equities
Virtu Americas	US	US Equities
Virtu ITG Europe Limited	Europe	Foreign Equities
WallachBeth Capital	US	Equity Options
Wolverine Execution Service, LLC	US	Equity Options