

Terms of Business ("the Terms") for Execution-only services

RBC Europe Limited

Wealth Management



Terms and Conditions

1. INFORMATION ABOUT US AND OUR SERVICES

- 1.1. Our full name is RBC Europe Limited. In these Terms we are referred to either by this name or as “we”, “us” or “our” and “you” or “your” refers to the relevant client entering into these Terms upon acceptance as a client for the relevant service applied for. It also refers to agents, attorneys or others you properly delegate authority to in order to act on your behalf in respect of these Terms and the relevant service being provided to you in respect of notices, communications and carrying out transactions in respect of these Terms.
- 1.2. We are incorporated in England & Wales under number 995939 and our registered office is at 100 Bishopsgate, London, EC2N 4AA. Our telephone number is +44 (0)20 7653 4000 and our fax number is +44 (0)20 7329 3482.
- 1.3. We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. We are entered on the Financial Services Register with Firm Reference Number 124543. The Financial Conduct Authority can be contacted at 12 Endeavour Square, London E20 1JN, and the Prudential Regulation Authority can be contacted at 20 Moorgate, London EC2R 6DA. The services we are authorised to provide include investment advice, discretionary investment management, custody and dealing services.
- 1.4. These Terms relate solely to the service described in Clause 2 and not to any of the other services which we provide (to which the RBCEL Terms of Business relate), including but not limited to discretionary investment management, advisory or custody services. If at any time you wish to change the services we provide, or any of the limits and requirements you impose, you should contact us in one of the ways referred to in Clause 4 below. We may ask you for additional information to the information you provide in the Account Opening Documents at any time in order to provide our services. We rely on information you provide to us in response to such requests or in the Account Opening Documents when providing you with our services so please ensure all information is accurate and up-to-date and that relevant details and information (and changes to it) are not withheld. Where we merely explain the term of an investment product or its performance characteristics, this does not constitute advice on the merits of a transaction in the investment product.

1.5. Definitions and Interpretation

- 1.5.1 In this document the following words have the meanings set against them below:
 - “**Account Opening Documents**” means the account opening documents you must complete and sign in order to become a client;
 - “**Agreement**” means the documents listed in Clause 3.3 as (in each case) amended from time to time which together form the terms of a legally binding agreement between you and us;
 - “**Associate**” means any company in the Royal Bank of Canada (RBC) group of companies and the directors and employees of any such company;
 - “**Business Day**” means a weekday on which the clearing banks in the City of London are normally open for business;
 - “**Effective Date**” means the date on which we send you written acceptance of your application after we have received your fully completed and signed Account Opening Documents;
 - “**Execution-only Service**” means the non-advised execution-only service as described in Clause 2;
 - “**FCA**” means the Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN;
 - “**FCA Rules**” means the FCA Handbook of rules and guidance as amended, replaced or supplemented from time-to-time;
 - “**Fee Tariff**” means the tariff of fees and charges in respect of the Execution-only Service, as may be updated from time to time in accordance with Clause 15.1;
 - “**FOS**” means the Financial Ombudsman Service;
 - “**FSCS**” means the Financial Services Compensation Scheme;
 - “**Liabilities**” means liabilities, losses, damages, costs, claims and expenses of any kind;
 - “**Portfolio**” means the money and investments of your Underlying Client in relation to which we are providing the Execution-only Service;
 - “**Professional Clients**” means clients who are classified as professional clients under the FCA Rules;
 - “**RBC**” means the Royal Bank of Canada and/or direct and indirect subsidiaries;
 - “**RBCCI**” means Royal Bank of Canada (Channel Islands) Limited;
 - “**RBCEL Terms of Business**” means the terms of business of RBC Europe Limited (other than

these Terms), as may be amended from time to time, under which we set out the basis on which we agree to provide clients with services;

“Regulatory System” means the arrangements under which the FCA regulates our activities under the Financial Services and Markets Act 2000;

“Retail Clients” means clients who are classified as retail clients under the FCA Rules;

“Systematic Internaliser” means an investment firm which on an organised frequent systematic and substantial basis, deals on its own account when executing client orders outside a regulated market, a multilateral trading facility, or an organised trading facility without operating a multilateral system;

“Terms” means the terms of business set out in this document (as amended from time to time in accordance with Clause 21);

“Trading Venue” means a regulated market, a multilateral trading facility, an organised trading facility, a Systematic Internaliser, a market maker, and other liquidity providers; and

“Underlying Client” means any client to whom you provide investment management services and in respect of whose Portfolio you provide us with an instruction in relation to the Execution-only Service.

- 1.5.2 A reference to a statutory provision includes a reference to such provision as amended, restated or replaced from time to time.
- 1.5.3 Words and expressions not defined in these Terms but which are defined in the FCA Rules have the same meanings as in the FCA Rules.
- 1.5.4 Reference to the singular will where the context allows include the plural.
- 1.5.5 References to clause or paragraph numbers are to clauses or paragraphs in the Terms or Schedules in which they appear.
- 1.5.6 Reference to any gender or neuter includes the other genders.
- 1.5.7 Headings are used for reference only and do not affect the meaning of the clause or paragraphs.
- 1.5.8 Reference to a time of day shall be construed as a reference to London time.
- 1.5.9 Any reference to the term “written” or “in writing” shall include email.
- 1.5.10 Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression is to be construed as illustrative only and does not limit the sense of the words preceding those terms.

2. EXECUTION-ONLY SERVICE

- 2.1. In providing you with the Execution-only Service, we deal, on receipt of written instructions from you, as riskless principal, or on your behalf as agent in a transaction to buy or sell the following types of investments in respect of your Underlying Client’s Portfolio:
 - i) equities which are traded on a recognised exchange;
 - ii) fixed income products; and
 - iii) Exchange Traded Funds which are traded on a recognised exchange.
- 2.2. When you provide us with an instruction to trade, it will be on a bulk trade basis for one or more of your Underlying Clients. We will not know the details of the Underlying Client(s) in respect of whom you provide us with an instruction to trade, and it is important that we are not provided with details of such Underlying Client(s) when you provide us with an instruction.
- 2.3. We will not advise you about the merits of the transaction or the suitability of the execution-only transaction. You will not benefit from any of the requirements relating to our assessing the appropriateness of the transaction for you or your Underlying Client; you will instead rely on your own judgement and you will need to assess each transaction on your own and we will not assist you in that assessment. In addition, unless we have provided you with research in connection with the transaction, by entering into the transaction on an execution-only basis, you expressly confirm that we have not made any representations, recommendations, or suggestions to you and you have not relied on any research or information you have received from us or any of our Associates in connection with that transaction.
- 2.4. In providing you with the Execution-only Service, we will not conduct any assessments relating to suitability or appropriateness in relation to any transaction, irrespective of whether the investment to which the transaction relates is categorised as “complex” or “non-complex”. It will be your responsibility to conduct such assessments as are required to be provided in respect of your Underlying Client, and we accept no responsibility for the provision of any such assessment or for your failure to conduct such assessment.
- 2.5. Where we disclose the target market for a particular product to you, it is your responsibility to ensure that you fall and/or (if applicable) your Underlying Client falls within the relevant target market criteria. For the avoidance of doubt, we

will not conduct this assessment for you or on your behalf. You shall be fully responsible for carrying out your own target market assessment where you distribute any product to your Underlying Client and for ensuring that the Underlying Client falls within the relevant target market criteria.

- 2.6. Where a transaction is executed on an execution-only basis, we assume no financial responsibility for the transaction and as a result, we will not be responsible to you if the transaction is not adequately covered by the funds in your account. We will not monitor or notify you of any movements in your account and you are solely responsible for settling any transactions which are executed before the date our relationship with you is terminated.
- 2.7. In providing you with the Execution-only Service we will not provide any custody services. Custody services in relation to a Portfolio (in respect of which we provide the Execution-only Service) shall be provided by RBCCI. We are not responsible (to you or to your Underlying Client) for any custody arrangements in respect of a Portfolio (including (i) supervising the custody services provided by RBCCI or (ii) the expenses, fees and charges of RBCCI) and, subject to Clause 12, will have no responsibility or liability in respect of RBCCI's acts or omissions in the provision of its custody services to your Underlying Client in relation to a Portfolio.
- 2.8. We will not provide any instructions or confirmations to, or otherwise liaise with, RBCCI in respect of any transaction. Specifically, we will not notify RBCCI of any transaction, and it will be your responsibility to provide the necessary instructions to RBCCI in order to effect settlement of any transaction for which we have provided the Execution-only Service. We do not accept any responsibility for any failed or delayed settlement as a result of your failure (i) to notify RBCCI of the transaction; or (ii) to ensure that the necessary arrangements are in place to enable settlement of the transaction to occur.
- 2.9. In the event that we incur any loss or liability whatsoever as a result of the failure or delay of settlement in respect of any transaction for which we have provided the Execution-only Service, including (but not limited to) the situation in which you provide us with an instruction in respect of which there are insufficient cash or investments in your Underlying Client's Portfolio to enable settlement of the transaction, you agree to indemnify us in full against such loss or liability and any other costs, fees, or other liabilities

incurred as a direct result of such failed or delayed settlement.

- 2.10. All transactions for a Portfolio will be settled by payment to or delivery by RBCCI of cash or investments due to or from the Portfolio. You must ensure that RBCCI can settle any transaction effected by us in respect of the Portfolio.

3. THE BASIS ON WHICH WE PROVIDE OUR EXECUTION-ONLY SERVICE

- 3.1. We are required by the FCA Rules to categorise our clients. We will treat you as a Professional Client. As a Professional Client, whilst you may request to be re-categorised as a Retail Client, any such re-categorisation would result in us not being able to provide the Execution-only Service to you.
- 3.2. As a Professional Client you will not have the benefit of some of the protections afforded to Retail Clients under the FCA Rules. Examples of some of the protections which are not available to Professional Clients include the following:
- i) we will always ensure that our client communications are clear, fair and not misleading. However, as a Professional Client, the simplicity and frequency of those communications may differ from those provided to Retail Clients;
 - ii) information provided by us to Retail Clients (regarding RBC Europe Limited, our services and products, and how we are remunerated) may differ from that provided to Professional Clients. In particular, the information may be less specific than the information provided to Retail Clients; any information regarding costs and charges may not be as comprehensive as the information provided to Retail Clients; and the requirement to inform clients about material difficulties in executing orders on behalf of Retail Clients may not apply to Professional Clients;
 - iii) a range of factors (including price) may be considered for Professional Clients in order to achieve best execution. By contrast, when determining best execution for a Retail Client, the total consideration (representing the price of the financial instrument and the costs relating to execution) must be the overriding factor;
 - iv) for transactions executed under the Execution-only Service, the requirements regarding the timeline for providing confirmation that an order has been carried out are more rigorous for Retail Clients than they are for Professional Clients;

- v) the services of the FOS may not be available to a Professional Client; and
- vi) in respect of shares admitted to trading on a regulated market, we may (in relation to the investments of Retail Clients) only arrange for such trades to be carried out on a regulated market, a multilateral trading facility, a Systematic Internaliser or a third-country trading venue. This restriction may not apply in respect of trading carried out for Professional Clients.

As a Professional Client you will not have the same protections in relation to suitability and appropriateness as are available to Retail Clients. For further information about our lack of responsibility for any suitability or appropriateness obligations (whether to you or to your Underlying Client), please see Clause 2.

- 3.3. Our legal relationship with you is governed by the following documents which together form our Agreement:
- i) these Terms including the Schedules to these Terms and any side letters, or similar, we have agreed with you that supplement or amend the Terms;
 - ii) the Fee Tariff. This sets out our transaction charges, fees and other charges for our services. Please note that you may incur additional costs or taxes that are not paid via us or imposed by us;
 - iii) the Account Opening Documents; and
 - iv) any other document which is agreed between us in writing concerning the provision of our services.

You should read these documents carefully. If there is anything in them that you do not understand or agree to, you should discuss this with us and seek clarification.

- 3.4. You should retain a copy of your completed Account Opening Documents and any other documents within our Agreement for your records. You can at any time ask us to send you a copy of your Account Opening Documents.
- 3.5. These Terms will become effective on the Effective Date.
- 3.6. We may decide not to accept your application and may reject your application at our absolute discretion and without providing any reason.
- 3.7. We have powers to change these Terms and our fees and charges. The way that we can do this is set out in Clause 21 and 15.1, respectively.
- 3.8. You confirm that you have full power to enter into the Agreement, to appoint us to act in accordance with these Terms, and to bind your

Underlying Client to these Terms. You further confirm that you have been duly authorised by your Underlying Client to enter into the Agreement and to provide us with instructions in respect of that Underlying Client's Portfolio. We provide our Execution-only Service on the basis that you have full power to deal with the investments concerned. Whenever you instruct us or appoint us to buy or sell investments, you promise that:

- i) your Underlying Client is (or will be) the sole (or joint) beneficial owner (or where your Underlying Client is a trustee, sole legal owner) of the investments;
- ii) no one else has or will have any rights in respect of them, and they are free from any security such as a pledge, lien, charge, encumbrance or right exercisable by any third party;
- iii) your Underlying Client will be bound by all all actions undertaken by you under these Terms, and your Underlying Client shall be liable to us in respect of all obligations and liabilities to be performed under these Terms; and
- iv) you will not do anything or fail to do anything which would be a breach of any law or regulation which applies to you or which you are aware could result in our breaching a law or regulation.

You must tell us immediately if any of the statements in this Clause are or become untrue.

- 3.9. You confirm that except as disclosed to us in writing you are not accessing any of our services on behalf of, or in relation to, any third party other than your Underlying Client.
- 3.10. We will treat you as our client for the purposes of the provision of the Execution-only Service. For the avoidance of doubt, we will not treat your Underlying Client as our client, and you shall at all times retain full responsibility for all investment decisions made in respect of your Underlying Client's Portfolio. We shall not be responsible for your and/or your Underlying Client's (as appropriate) compliance with any laws or regulations relating to any instruction you provide to us under these Terms.
- 3.11. You confirm that you have complied with all relevant legal and regulatory requirements in relation to verifying the identity of your Underlying Client and you will continue to maintain all necessary records, and to comply with all relevant legal and regulatory requirements, in relation to the identity of your Underlying Client.

- 3.12. You will be responsible to us and our Associates for making good any Liabilities we suffer as a direct result of a breach by you of Clause 3.8 and Clause 3.9, including as a result of any third party claiming to be entitled to any or all of the investments or monies comprised in your Underlying Client's Portfolio.
- 3.13. You confirm that you have and will maintain a valid legal entity identifier (LEI) and update us immediately in writing in the event that there are any changes to your LEI.
- 3.14. It is important that we have accurate and up-to-date information about you and your circumstances as we will rely on this information when providing our services to you. You must provide full and accurate information to us and ensure that such information is not misleading and that relevant details and information (and changes to it) are not withheld. We will not be responsible to you for any actions taken by us when acting upon out of date, inaccurate or incomplete information provided by you. If you fail to provide such information we may not be able to provide our services to you. You must:
- i) ensure that any information you have provided to us is complete and accurate;
 - ii) notify us promptly if there is any significant change to the information provided by you (including information concerning your financial circumstances and your knowledge and experience of financial services and notifying us of any change to your jurisdiction of incorporation, constitution or equivalent);
 - iii) provide us with all information, documentation or copy documentation that we may reasonably require in order to allow us to carry out our account opening procedures;
 - iv) provide us with any additional information as we may reasonably request from time to time in order to enable us to comply with our legal, regulatory and contractual obligations in connection with or relating to these Terms, or such further information as may be properly required by any competent authority, in each case promptly following such request.
- 3.15. You must sign and/or produce, by the time we ask you, any documents we need to enable us to carry out our duties under these Terms including documentation relating to evidence of nationality or place of residence.
- 3.16. A failure to provide information requested by us may adversely affect our ability to provide our services under these Terms, and in some circumstances mean that we are unable to provide our services.
- 3.17. You must not disclose your account details or any security information relating to your account to anyone. Please take care when storing or disposing of information about your account. You should shred copies of documents which include your signature to avoid fraud including faxes or photocopies of your signature.
- 3.18. If you think that someone has obtained any of your account details or is using or attempting to use your security information or your signature please let us know as soon as possible. We will deal with such notification once received by us.
- 4. COMMUNICATIONS BETWEEN US (INCLUDING HOW YOU CAN INSTRUCT US)**
- 4.1. We shall communicate with you using the contact information you supply on the Account Opening Documents, or such other information as you provide to us. You must notify us if any of your contact details change. We may communicate with each other in writing or by telephone.
- 4.2. We will record telephone calls and electronic communications with you. A copy of the recording of such conversations will be available upon request for a period of up to five years, and where requested by the FCA, for a period of up to seven years.
- 4.3. You may contact us by post at 100 Bishopsgate, London, EC2N 4AA or by telephone or fax to the numbers set out above in Clause 1.2.
- 4.4. You must communicate with us in English. Documents and other information we supply will be in English.
- 4.5. If you wish to communicate with us by email, you must provide us with a valid email address, in writing. By providing us with a valid email address or sending a communication to us by email, you are indicating that you are willing for us to communicate with you by email for any purpose under these Terms.
- 4.6. You may from time to time give us oral, written or fax instructions, subject to the remaining provisions of this Clause 4.6 and Clause 4.7, provided that where instructions are given orally, by email or by fax we may ask you to confirm such instructions. We may accept telephone instructions but will not be obliged to do so.
- 4.7. You may give us instructions by email or fax in accordance with such procedures (including use of specific email addresses, fax numbers,

security procedures and the use of passwords) for giving such instructions which we may notify to you. Please note:

- i) urgent, time-sensitive and confidential communications should not be sent by email or fax;
- ii) you should telephone us to confirm receipt if you have not received an acknowledgement from us within 2 Business Days after sending an email or fax;
- iii) there are risks inherent in email and fax communications, including the risk of unauthorised interception, mis-delivery, malfunction, viruses or delay (if, for example, the recipient at our office is not available); and
- iv) there may be a delay in processing instructions (including in any attachment) received via email or fax after we have received them which may make it impossible to implement the instructions either in the manner or time frame you specified or at all.

4.8. Although instructions may be given outside normal office hours (9:00am to 5:00pm on Business Days), instructions will only be deemed to be received by us during normal office hours on a Business Day and in relation to fax and emails (including instructions contained in any attachment) when manually accessed by us during such time.

4.9. We may not act on instructions received from you if:

- i) to do so may involve us or you in a breach of legal, regulatory or contractual requirements (including a breach of these Terms);
- ii) we believe on reasonable grounds that to do so would be impracticable or against your or our interests;
- iii) we believe on reasonable grounds that the instructions are given fraudulently or in any other unauthorised manner; or
- iv) we would run the risk of suffering financial loss if we acted on them.

We will notify you of any such refusal, provided we are able to do so under applicable law or regulation.

4.10. We will not accept any instructions which require that we make any decision in respect of investments. Any investment decision relating to your Underlying Client's Portfolio may only be made by you.

4.11. If we have any significant difficulty in carrying out your instructions promptly, we will inform you as soon as reasonably practicable upon becoming aware of such difficulty provided that we are able to do so under applicable law or regulation.

4.12. We may accept instructions that appear to be from you (or, if you are trustees or partners in a partnership, from any of you, or, if the client is a company, from any director) or from your nominated agent if we hold your written instruction to accept orders from that agent.

4.13. Please make sure that your instructions are clear and that you clearly state your intentions and any conditions you wish to impose. This is important because if your instruction makes sense we may act on it without contacting you, and, provided we have acted reasonably, we will not be responsible if your instructions do not say what you mean them to say. If you have any doubt as to how to instruct us clearly please contact us. Where an instruction is difficult to read or ambiguous we may not act on it until we have contacted you for clarification, which could lead to a delay. In respect of instructions received by telephone, we are not responsible for any inconsistency between telephoned instructions, and any subsequent confirmation in writing. The latter shall always prevail.

4.14. We do not accept instructions via any social networking account or by SMS text message and those instructions will not be acted upon.

5. CONFLICTS OF INTEREST AND MATERIAL INTERESTS

5.1. We will take all appropriate steps to identify and prevent or manage conflicts of interest that may arise between you and us (or an Associate) or you and another client of ours when we provide services to you. We will also operate arrangements to take reasonable steps to prevent conflicts of interest adversely affecting you.

5.2. We have in place a conflicts of interest policy to identify and manage our actual or potential conflicts of interest, which is regularly reviewed, as well as a supporting register of conflicts. A summary of our Conflicts of Interest Policy is included in Schedule 2 and further information about our Conflicts of Interest Policy is available on request from us.

5.3. Where the arrangements that we have in place are not sufficient to ensure with reasonable confidence that risks of damage to you will be prevented we will disclose to you the general nature or sources of conflicts of interest, or

both, and the steps taken to reduce those risks before we undertake the business for you.

- 5.4. We and our Associates provide a wide range of services to many different types of client. We will not disclose to you or use for your benefit any information which we or an Associate may have where to do so would or might be a breach of obligations of confidentiality to any other person. Nor will we reveal any information to you or use it for your benefit where to do so would in our opinion place us in breach of a law or regulatory obligation.
- 5.5. We shall not be obliged to take into account any information which, whilst held by us or by an Associate, does not come to the actual notice of the individual responsible for making decisions, giving recommendations or taking other action on your behalf.

6. CARRYING OUT TRANSACTIONS

- 6.1. When we carry out transactions for you either by executing them, for example, accessing the execution venue, or by passing orders to third parties such as brokers, we owe you an obligation to take all sufficient steps to obtain best execution. We regard ourselves as typically being 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 where we are executing an order by dealing as a riskless principal on your behalf (e.g. where we may decide to execute all or part of that order in the capacity of a Systematic Internaliser) or executing an order by dealing as your agent. In order to comply with our obligations in relation to best execution we have in place a best execution policy. Our best execution policy sets out information on our order execution policy and explains how orders will be executed. It also provides for us to execute transactions outside a Trading Venue. By accepting these terms you consent to our execution policy and to us executing trades outside a Trading Venue. Our best execution policy is reviewed not less than annually and also whenever a material change occurs that affects our ability to continue to provide best execution. A summary of our best execution policy can be found at Schedule 1.
- 6.2. Where you provide us with specific instructions in relation to the execution of an order, or part of an order (for example instructions as to execution venue, price, or timing) we will execute the order following your specific

instructions and we will have satisfied our obligation under our execution policy to take all sufficient steps to obtain the best possible result for you in relation to that order (or the part of the order to which your instructions relate).

- 6.3. Some of the transactions we execute when we provide you with our services may be subject to transaction reporting requirements. You agree to provide us with all information we reasonably request promptly and to take action in a timely manner, in order to fulfil these transaction reporting requirements, if applicable. As a result of such transaction reporting requirements certain information about transactions will be reported to the FCA, in some cases via third parties, in accordance with applicable law.
- 6.4. Subject to the FCA Rules, we may trade transactions in respect of your Underlying Client's Portfolio together with those of other clients and of our employees, and RBC and their employees, without asking you first. This process is described as 'aggregation'. We will only carry out aggregation if it is unlikely that the aggregation of the order will work overall to the disadvantage of any client whose order is to be aggregated. The effect of aggregation may work on some occasions to your advantage, and on other occasions to your disadvantage in relation to a particular order.
- 6.5. Where we combine your order with another we will allocate the transaction in accordance with our order allocation policy.
- 6.6. We shall use reasonable endeavours to execute any order promptly, but in accepting any order we do not warrant or represent that it will be possible to execute your order at all or that execution of the order will be possible within the terms of your instructions (whether as to price or size or any other condition).
- 6.7. If you give us a limit order in respect of shares admitted to trading on a Trading Venue (an order to buy or sell at a specified price limit or better and for a specified size) and the order is not immediately executed under prevailing market conditions, you expressly instruct us not to make it public immediately unless we consider that it is in your best interests to do so.
- 6.8. If the other party to a transaction with you fails to complete the transaction on time or at all, then we will take all reasonable steps on your behalf to mitigate (reduce) the effects of such failure, but will not take any step which could involve us incurring costs and expenses on your behalf without your prior consent.

- 6.9. We are not bound by any transaction which is made (whether or not confirmed by us) at a price which was obviously incorrect at the time of the transaction; or was, or ought reasonably to have been, known by you to be incorrect at the time of the transaction.
- 6.10. A trade will only be confirmed as executed when we have confirmation that we have matched the trade with the market counterparty. Any confirmation of a transaction issued to you at the time you transmit instructions should not be treated as confirmation of the execution of the trade.
- 7. PAYMENT/CLEARING AND SETTLEMENT**
- 7.1. You shall promptly take all action necessary (including the supply of information) to enable due settlement of any transaction entered into by us under these Terms.
- 7.2. For each transaction we will agree with the other party to the transaction (the “counterparty”) the day on which the transaction will be settled (the “settlement date”). There are standard settlement periods for most markets.
- 7.3. Delivery or payment by the counterparty to any such transaction will be at your risk, and our obligation to account to you for any investment or the proceeds of sale of any investment will be conditional upon receipt by us of the relevant documents or sale proceeds (as applicable) from the counterparty.
- 7.4. If we agree a settlement date that is later than the standard period for the particular market and that class of instrument then the transaction is known as dealt for “extended settlement”. We do not normally offer extended settlement. However, at our sole discretion, we may permit it.
- 7.5. If you require extended settlement, the counterparty may levy a charge which will be reflected in the price shown on the contract note provided to you under Clause 9.1 below. However, we may at any time request payment, delivery of securities and transfer forms, or acceptable collateral in advance of the agreed settlement date.
- 7.6. If you fail to provide delivery of certificates or payment, or to make alternative arrangements, we may close the position with no liability on our part. You will remain responsible for any outstanding costs, payments and any Liabilities incurred. We will try (but are not obliged) to contact you in advance of closing such open positions.
- 7.7. If an investment is returned to us unpaid or there is an operational error, we may without prior notice to you:
- i) reverse entries; and
 - ii) correct errors made in any documents.
- 7.8. Where we have authority to effect transactions or take steps on your behalf we may need to agree such reasonable terms as we think fit with the counterparty or other person involved (which may be a member of RBC) and for that purpose we may:
- i) give representations and warranties on your behalf;
 - ii) execute agreements, confirmations, terms of business, master documentation and enter into other contractual arrangements binding on you;
 - iii) take any steps in accordance with market practice or custom as we think fit for the purpose of effecting or settling those transactions, and all such matters will be binding on you.
- 7.9. We will carry out transactions in investments on your behalf in accordance with the rules and regulations of the relevant market or exchange. We will take all steps that may be required or permitted by the market or exchange concerned and will otherwise act in accordance with good market practice.
- 7.10. We will execute your instructions or transfer funds by any conventional means we consider suitable, including banking channels, electronic or manual funds transfer systems, mail, courier, or telecommunications services, and other methods. We may, without prior notice to you, use the services of any institution, exchange, or correspondent bank in carrying out your instructions and may pass on their charges.
- 7.11. You will be bound by the rules and regulations that govern the applicable exchanges, funds transfer systems or institutions and accept their normal charges and other responsibilities which arise from the operation of their rules and regulations. None of these is our agent, and we are not responsible for their acts or omissions or any delay or suspension of their operation, unless it results from our negligence, wilful default or fraud.
- 8. MARKET ABUSE**
- 8.1. You must not deliberately, carelessly or negligently by act or omission engage in market abuse or insider dealing, or require or encourage another person to do so. If you are uncertain as

to whether your dealings or proposed dealings are lawful, you must take your own legal advice.

- 8.2. You must disclose to us the name of any listed company or any other investment where you are or maybe an “insider” and you must obtain all necessary clearances to deal prior to instructing us to deal in such investments for you.

9. REPORTING TO YOU

- 9.1. 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. You will also receive a summary of all purchases and sales conducted under the Execution-only Service on a semi-annual basis.
- 9.2. You must review any periodic summary, statement, report or contact note we send you and let us know promptly if you have any queries or if you consider that there are inaccuracies in it.

10. COMPLAINTS

- 10.1. You should contact us immediately if you are dissatisfied in any way with any aspect of our services. You can also at any time contact our Compliance Officer at RBC Europe Limited at 100 Bishopsgate, London, EC2N 4AA. Full details of our complaints policy are available on request.
- 10.2. A complaint can be made in writing, by telephone, by fax, by email or in person. Your complaint will be handled in accordance with FCA Rules and our complaints policy. We treat any complaint very seriously and aim to resolve a complaint fairly and promptly. We hope to resolve all complaints amicably. However, if you are unhappy with how we deal with your complaint you may also be able to direct your complaint to the Financial Ombudsman Service at Exchange Tower, London E14 9SR. Further information is available on request and from www.financial-ombudsman.org.uk or contact the FOS on 0800 023 4567 or 0300 123 9123.

11. COMPENSATION

We are covered by the Financial Services Compensation Scheme. As a Professional Client you may not be entitled to compensation from the scheme if we cannot meet our obligations.

In respect of deposits, an eligible depositor is entitled to claim up to £85,000. For joint accounts each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors,

the maximum amount that could be claimed would be £85,000 each (making a total of £170,000). The £85,000 limit relates to the combined amount in all the eligible depositor’s accounts with the bank, including their share of any joint account and not to each separate account.

Most types of investment business are covered up to a maximum limit of £85,000. For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) please call us on 020 7653 4000, refer to the FSCS website at www.fscs.org.uk or call the FSCS on 020 7741 4100 or 0800 678 1100. Please note only compensation related queries should be directed to the FSCS.

12. THE EXTENT OF OUR RESPONSIBILITY AND LIABILITY

- 12.1. Our obligation to you is to provide our services and perform our responsibilities under these Terms with the reasonable skill and care expected of an FCA-regulated investment professional who provides services of the kind we provide and we will therefore be responsible for Liabilities suffered by you to the extent that such Liabilities are caused by our negligence, wilful default or fraud or arise from a breach of our duties under the Regulatory System.
- 12.2. As long as we act in accordance with such standards and with your instructions we cannot and do not accept any responsibility for other Liabilities which arise from the provision of services for and on your behalf.
- 12.3. Where we are required to comply with the terms of any applicable law (including a court order (for example a freezing order)) in respect of your Underlying Client’s Portfolio, funds and/or accounts, we shall not be responsible for any Liabilities you or your Underlying Client may suffer as a result.
- 12.4. We have no responsibility or obligation to participate in or process class action litigation claims or similar matters, but may so participate if, in our absolute discretion we see fit. Please note that in the event of a payment to you in settlement of any such action this will be less any associated costs. We will not necessarily inform you about any such litigation claims which come to our notice.
- 12.5. We will normally act as your agent and you will therefore be bound by our actions. Nevertheless none of the services we are to provide will give rise to duties which would prevent or hinder us or RBC in transactions with or for you including

programme trades, acting as both market maker and broker or as principal or agent in dealing with other Associates or clients.

- 12.6. You may also have rights against us if we fail to comply with our obligations under the Regulatory System. We do not seek to exclude or limit our duties or liabilities under the Regulatory System. Your rights under the Regulatory System or any other statutory rights you may have are not affected in any way by these Terms. For further information about these rights you can contact your local authority Trading Standards Department or Citizens Advice Bureau. The FCA website www.fca.org.uk also has a consumer section.
- 12.7. Nothing in these Terms shall be read as excluding or restricting any liability we may have for fraud or fraudulent misrepresentation or for death or personal injury caused by negligence.
- 12.8. We will not be liable to you if we cannot perform our obligations by reason of any cause beyond our reasonable control, which could include any act of God, fire, act of Government or supranational bodies or authorities, war, civil commotion, insurrection, act of terrorism or threat thereof, embargo, industrial dispute, inability to communicate with market makers, unanticipated dealing volumes, failure of any telecommunication, computer dealing or settlement system, prevention from or hindrance in obtaining any energy or other supplies, labour disputes of whatever nature, late or mistaken delivery or payment by any bank or counterparty or any other reason beyond our reasonable control. If an event of this kind occurs, we will take reasonable care to take such steps as are reasonable and practicable in the circumstances with a view to minimising the effect of the event on our customers.
- 13. THE EXTENT OF YOUR RESPONSIBILITY AND LIABILITY**
- 13.1. If you breach our Agreement, are negligent, wilfully at fault or act fraudulently, you are responsible for any reasonably foreseeable Liabilities we incur as a result. However, you will not be responsible for any Liability to the extent:
- i) it arises out of our own fraud, negligence or breach of these Terms;
 - ii) it is unreasonably or improperly incurred by us; or
 - iii) a regulatory body or court of law subsequently finds our actions or omissions to be the cause of that loss or liability.
- 13.2. Without limiting the extent of Clause 12 above, you are responsible for any Liabilities we suffer where we have carried out instructions we reasonably believe to have been given or authorised by you. You are responsible for any Liability we incur as a result of us acting on any instruction apparently/pretending to be given by you by any method, whether or not such instruction was in fact given by or authorised by you.
- 14. RISKS**
- 14.1. General
- All investments involve a degree of risk of some kind. This section describes some of the risks which could be relevant to the services we provide to you. We may provide further risk information during the course of our services to you, as appropriate.
- Our services relate to investments whose price depends on fluctuations in the financial markets outside our control. Investments and the income from them may go down and you may get back less than the amount you invested. Past performance is not a guide to future performance.
- 14.2. Risks to consider
- The recent financial crisis has highlighted that risks to a portfolio are multi-faceted and we highlight below some of the main potential risk factors. Furthermore, while each investment component will have specific characteristics, investors should also consider the overall portfolio which may either increase or decrease the risk of each holding.
- 14.3. Types of risk
- Each Portfolio may contain certain risks, which are described and summarised below.
- i) Market risk: Any investment is subject to market fluctuations and there can be no assurance that an investment will return its original value or that appreciation (increase) will occur.
 - ii) Concentration risk: Where significant percentages of a portfolio are held in a single security or asset class or highly correlated securities, volatility may be very high relative to broader market indices. Concentrations may occur with counterparties (issuer), asset class, issuer, industry, or currency.
 - iii) Credit risk: This risk is typically associated with fixed income instruments but applies to any instrument where repayment

- depends on the ability of an entity to settle an obligation. The risk borne is that the issuer may default in part or in full on their obligation.
- iv) Counterparty risk: Conceptually the same as 'Credit risk', but generally used to describe the risk of less direct exposures such as the issuer on a structured product, some Exchange Traded Funds (ETFs), or the entity behind a derivatives contract.
 - v) Currency risk: Currency can either directly or indirectly affect an investment. The value of a holding will be directly affected by foreign exchange movements where the investor's reference currency is different from the investment currency. For investments such as equities, the value of the underlying investment may also be indirectly affected by currency where foreign exchange movements influence the market economy and competitiveness of companies.
 - vi) Liquidity risk: There are two types of 'liquidity risk'. Firstly, by design, a structure may render funds inaccessible to the investor over certain periods of time as a result of lockups or redemptions, leaving the investor open to market risk during these interim periods. Secondly, if market volumes in an investment are low, an investor may be unable to find a buyer or seller to match their position or may only be able to buy or sell at disadvantageous prices.
 - vii) Political risk: Countries with political instability or where political bodies can exert a strong influence on markets and business practices may be subject to greater volatility. Political risk is present if the potential returns on an investment could be significantly affected by a political entity's decisions rather than by predominantly economic and market factors. Political risk may include the potential for currency controls, expropriation, and insufficient legal or regulatory infrastructure.
 - viii) Rollover risk: Rollover risk is faced by countries and companies when their debt is close to maturity and must be 'rolled over' into new debt. If conditions for the issuer have deteriorated since the issue of the debt to be refinanced, the costs of the new financing may be considerably higher, or it may not even be possible to find new buyers to provide refinancing for maturing debt.
 - ix) Inflation risk: Erosion of real capital value relative to its future purchasing power.
 - x) Transparency complexity risk: Some products such as hedge funds, structured products, fund of funds, and private equity may not give clients full or real-time transparency on holdings or have complex underlying positions. Investors should take particular care in understanding the structure of these holdings and the nature of the product prior to investing.
 - xi) Leverage risk: Where lending is either secured by a portfolio or is embedded in a product, investors may be particularly exposed to increased market risk and liquidity risk in adverse markets.
- 15. FEES**
- 15.1. Unless otherwise expressly agreed in writing, the fee payable by you to us in relation to our Execution-only Service shall be calculated in accordance with our Fee Tariff from time to time applicable to the type of service afforded under these Terms. Details of our Fee Tariff at the date of these Terms were given to you before these Terms were entered into. Any changes to the Fee Tariff will be notified to you and will become effective 10 Business Days after notification.
 - 15.2. The fee payable to us in relation to our Execution-only Service shall be paid to us directly by RBCCI. You confirm that you have obtained the agreement of your Underlying Client to the fee payable to us being deducted from your Underlying Client's Portfolio. We shall have no knowledge or information about the amount deducted from each of your Underlying Clients' Portfolios (on a pro-rata basis) for the purposes of paying our fee.
 - 15.3. You are responsible for paying any additional expenses properly and reasonably incurred by us in providing our services under these Terms including reasonable commissions, transfer and registration costs and taxes and other fiscal liabilities. The amount of such additional expenses will be notified to you together with the amount of our fee for the relevant period or in exceptional cases (such as irregular Liabilities, claims, costs and expenses we suffer in connection with providing the services under these Terms) by notice to you.
 - 15.4. In accordance with all applicable law and the FCA Rules we will provide you with information relating to costs and charges before providing our services to you. Where this information is not included in the Fee Tariff, it will be provided separately and in good time before we provide the relevant service to you.

- 15.5. We will also provide you with an annual report setting out aggregated information on the cost and charges you have incurred for our services so that you are able to understand the overall cost and the cumulative effect on the return of your investments.
- 15.6. Where we agree in our discretion to provide additional services to you relating to a specific transaction or investment we will discuss and agree with you the type of service we will provide. In addition, if such additional services will require us to incur any fees, costs and charges which are not set out in our Fee Tariff, we shall provide to you information on any fees, costs and charges which will apply in good time, before carrying out the relevant transaction or providing the relevant service.
- 15.7. Where we provide you with information relating to fees, costs and charges before providing our services and information relating to actual costs are not available to us, we may need to use reasonable estimates and assumptions in order to provide you with this information. While we take care to ensure our estimates are reasonable and review any assumptions used on an ongoing basis, fees, costs and charges incurred may vary from the information initially provided due to reasons beyond our control, such as changes in the market which are hard to predict.
- 15.8. Where the information we have provided to you relating to our fees, costs and charges under Clauses 15.4, 15.5, 15.6 or 15.7 has been aggregated you may also ask us to provide you with an itemised breakdown of the information.
- 15.9. Fees, costs and expenses under Clauses 15.1 and 15.3 above are calculated on a Sterling basis save that where valuations are prepared or transactions effected in a currency other than Sterling we may, at our discretion, charge such fees, costs and expenses in that currency.
- 16. TAX**
- 16.1. All payments made to you and/or to your Underlying Client related to income arising from investment and all monies and assets contained in a Portfolio shall be subject to deduction of any applicable taxes or other levies and we may account for the same to the appropriate authorities as required by law or practice.
- 16.2. All fees charged by us to you are exclusive of any tax, duty or levy which may arise on them and in particular are exclusive of Value Added Tax which will be levied according to legal requirements.
- 16.3. We do not provide tax advice and strongly recommend that, if appropriate, you should seek independent professional tax advice relevant to your particular circumstances before deciding to receive any service from us, or instructing us to execute any transactions on your behalf. You are entirely responsible for the management of your own affairs for tax purposes, seeking your own tax advice in respect of any service and for advising us of any matter which you wish us to take into account when providing services to you.
- 16.4. Please note that taxes and/or other costs may exist in relation to a Portfolio and/or other services we provide that are not paid via us or withheld by us.
- 16.5. The tax treatment of any Portfolio depends on individual circumstances and may be subject to change.
- 16.6. You are responsible for any tax liability and reasonable costs (including, without limitation, legal expenses) arising in relation to any tax liability that may be incurred by us in respect of transactions entered into by us 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.
- 16.7. We 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/or your Underlying Client and/or your Underlying Client's Portfolio and assets on an individual or aggregated basis in accordance with the tax reporting regimes applicable to you or your Underlying Client (as applicable). We 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 HM Revenue & Customs ("HMRC"). HMRC may also pass the financial account information to the tax authorities in the country that requires it in accordance with the applicable tax reporting regime. If we are required to report financial account information, this may include financial account information about you, for example 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 your account(s), and the account balance(s) and asset value(s).

- 16.8. We reserve 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.
- 16.9. Where you are a corporate customer or other legal entity, we may be required to identify and report under one or more tax reporting regimes, persons with an interest in you, including shareholders, partners, trustees, settlors, protectors, beneficiaries or other persons exercising control, including senior managing officials. If reporting applies, we will be required to report information regarding you and underlying reportable persons.
- 16.10. Unless the relevant Liability is caused by our negligence, wilful default or fraud, we will not be responsible to you for any Liabilities suffered or incurred as a result of our complying with legislation, regulations, orders or agreements with tax authorities in accordance with these Terms. Nor are we responsible if we make 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 our reliance on incorrect information provided to us by you or any third party.

17. TERMINATION

- 17.1. Our relationship under these Terms is for no fixed duration.
- 17.2. Unless we have told you that restrictions apply to a particular service or product, you may end your relationship with us, or any service or product, at any time by giving us written notice without having to give us any reason. Unless the service or product is for a fixed term, we may terminate individual services, or our entire relationship with you, by giving you 30 calendar days' prior written notice by mail to your last address shown in our records, and we may do this without giving you any reason.
- 17.3. We may also terminate individual services, or our entire relationship with you or freeze any accounts without giving notice in advance if we reasonably believe that you have seriously or

persistently broken any terms of the Agreement, including by way of example where:

- i) you are the subject of an investigation by any legal, regulatory or governmental authority;
- ii) our relationship with you exposes us or RBC to action or censure from any government, regulator or law enforcement agency, or we reasonably believe that maintaining our relationship with you, providing the service or maintaining the account might be prejudicial to our broader interests or to the interests of RBC;
- iii) you give us any false or inaccurate information (or withhold information) which we determine in our sole discretion to be relevant information;
- iv) you are convicted (or charged but not yet convicted) of fraud or dishonest conduct or dealing;
- v) you fail to comply with the terms of any transaction entered into with us;
- vi) we are not permitted or authorised to provide the service under the law of the country where you are registered or to which you are subject;
- vii) you have failed to report, notify or file relevant documentation in the jurisdictions required in accordance with these Terms;
- viii) you suffer a receiver, administrative receiver, administrator or liquidator being appointed over you or any of your assets (if a body corporate) or you are subject to any equivalent procedure in any jurisdiction;
- ix) you are unable to pay your lawful debts as they fall due;
- x) you or your assets are declared bankrupt;
- xi) you take up residence in a country or become subject to the laws of a country where we are not permitted or authorised to provide the service;
- xii) unless you have notified us in writing that you are acting on behalf of any third party or parties and have provided us with the name or names of the third party or parties concerned, you operate the account on behalf of any third party or parties who are not the legal and beneficial owner of the account; or
- xiii) any information which you have provided to us in relation to your status, residence and domicile for taxation purposes is not complete and correct in all respects.

- 17.4. Except where we have been negligent, wilfully defaulted or acted fraudulently, we are not responsible for Liabilities you may sustain as a result of the termination or suspension of a service, our refusal to provide a service to you or to accept monies or assets into an account or the liquidation of your assets.
- 17.5. Upon the termination taking effect, we shall cease to provide the relevant service to you in accordance with these Terms. Amongst other things, this means that we will not accept any further instructions to deal, will not arrange any further transactions and will no longer provide the relevant service. Transactions in progress at the time of termination will be executed in accordance with these Terms, save that if we terminate because we consider that an event has occurred which may affect your ability to settle transactions, we shall take such action as is appropriate in the circumstances.
- 17.6. You will only be eligible to use the benefits and services provided to you under these Terms subject to your status and after you have complied with any relevant eligibility criteria. Details of any applicable eligibility criteria may be varied by us in accordance with these Terms. If at any point, you fail to meet any eligibility criteria, we may terminate our relationship with you, stop providing the relevant service or product or move you to an alternative service or product for which you do meet the eligibility criteria.
- 17.7. We will be entitled on termination to charge you:
- i) (except where you terminate these Terms within 30 calendar days of notice being served of an assignment in accordance with Clause 19) any expense necessarily incurred by us directly attributable to the termination of our relationship including any for transfer of cash and securities; and
 - ii) any losses necessarily realised in settling or concluding outstanding obligations.
- 17.8. You will remain responsible for prompt settlement of all outstanding transactions, fees, charges and obligations related to services provided by us prior to termination. No penalty or other additional payment will be payable by you or us in respect of the termination. We will return the balance of any monies we hold to you, subject to our rights set out in Clause 23.
- 17.9. These Terms shall, even after termination, continue to govern any legal rights or obligations which have already arisen or which relate to our services under these Terms or which arise in consequence of termination.
- 18. CANCELLATION RIGHTS**
- 18.1. You have the right to change your mind and cancel these Terms (and our legal relationship) within a period of 14 calendar days from the Effective Date and without having to give us any reason.
- 18.2. You agree that we may begin to provide services under these Terms notwithstanding your right to cancel them.
- 18.3. If you would like to cancel these Terms please write to us, before the end of the 14 calendar day cancellation period, or (if you are unsure about which office to contact) to our registered office set out in Clause 1.2.
- 18.4. By exercising your right to cancel you will withdraw from these Terms and all the services provided under these Terms will be terminated.
- 18.5. Cancellation will not affect the completion of transactions initiated prior to receipt by us of written notice of cancellation. Cancellation will not affect accrued rights, indemnities, existing commitments or any other contractual provision intended to survive termination of this Agreement.
- 18.6. If you exercise your right to cancel, you will not incur any additional charges or penalty and any pre-payments will be returned to you. However, you agree to pay our fees and charges pro rata to the date of cancellation and any additional expenses incurred by us (or a third party) in cancelling these Terms and any losses necessarily incurred in settling or concluding outstanding transactions. You acknowledge that your Underlying Client may suffer market losses in respect of their Portfolio between the Effective Date and the date of receipt by us of your written cancellation notice and that such losses will be borne by you and not us.
- 18.7. We will pay to you without delay, and no later than 30 calendar days after the date on which we received notice of cancellation from you, any sum which you have paid to us or for our benefit in connection with these Terms (including sums paid by you to our agents) less associated costs and charges described above at Clause 18.6.
- 18.8. The 14 calendar day cancellation rights are in addition to your right to terminate these Terms by notice in writing given at any time as provided for in Clause 17. Your 14 calendar day cancellation right, the arrangements for exercising that right and the charges that we may levy upon the exercise of that right are confined to the beginning of our relationship and are governed by this Clause 18.

19. ASSIGNMENT

- 19.1. You may not assign or transfer these Terms. We may after not less than 30 calendar days prior written notice to you assign these Terms to another company or firm which at the time of such transfer is authorised under the Financial Services and Markets Act 2000 (as amended, replaced or substituted from time to time). By providing you with 30 calendar days' notice, you will have sufficient time to consider the assignment and transfer and provide us with notice under Clause 17.2 if you wish to terminate our Agreement as a result. On such assignment we shall be released from future responsibility to you and you will be released from any further obligation to us under these Terms and you will be bound by these Terms (as amended by any written notice) as if the assignee had originally been named in these Terms as a party to the same instead of us and the assignee will acquire all the rights, powers, obligations and liabilities it would have had, if it had been an original party to the Agreement in substitution for us. For the purposes of giving you written notice under this Clause, if we are not reasonably able to serve written notice on you personally, we may instead give you notice by publishing a notice of the transfer in any newspaper of general circulation.
- 19.2. In addition, we may transfer, assign the benefit of, or delegate the performance or exercise of any or all rights or obligations under these Terms to any Associate, provided that such Associate has all relevant authorisations. In the case of such transfer, you agree to the novation of these Terms, or the relevant parts of them, to such Associate. We shall notify you in writing of any such transfer, assignment or delegation. Following any such notice, these Terms, or the parts of them specified in the notice, shall be read and construed as if they had been made between you and the relevant Associate.

20. RIGHTS OF THIRD PARTIES

Any clause which confers a benefit on an Associate shall be enforceable by him/it accordingly but The Contracts (Rights of Third Parties) Act 1999 shall not otherwise apply to these Terms and accordingly no part of these Terms shall be directly or indirectly enforceable by any third party other than an Associate, nor are they intended to confer a benefit or any rights on any third party other than an Associate. We and you shall remain free to vary or terminate these Terms without the consent of any third party.

21. CHANGES TO THESE TERMS

We may change these Terms from time to time in whole or in part and we will give you at least 30 calendar days' notice in writing of any changes before providing services to you under the changed terms. This will give you enough time to consider the changes and to provide notice under Clause 17.2 if you wish to terminate our Agreement as a result. No change will affect any outstanding order or transaction or any other legal rights or obligations which may have arisen before the date of the change. Such changes could arise, for example, (a) to comply with changes in applicable laws or regulations, (b) to comply with changes in the requirements of any exchange, depository or clearing system, (c) to reflect changes in our services.

22. DELEGATION AND USE OF AGENTS

- 22.1. We may delegate any of our functions to a third party and may provide information about you and/or your Underlying Client and/or your Underlying Client's Portfolio to any such third party but our responsibility to you for all matters so delegated shall not be affected thereby.
- 22.2. We may employ agents to perform any administrative dealing or ancillary services required to enable us to perform our services under these Terms. We will act in good faith and with due diligence and reasonable care in the selection, use and monitoring of agents.

23. OUR RIGHTS AND DEFAULT REMEDIES

- 23.1. We may set off any obligation owed to us by you under these Terms against any obligation owed by us to you, regardless of the currency of either obligation. If the obligations are in different currencies, we may convert either obligation at a market rate of exchange in our usual course of business for the purpose of the set off.
- 23.2. In the absence of a separate written agreement with you, if you fail to pay any sum due to us under the Terms when due we may charge you interest at a rate of 3% per annum above the RBC base rate or any successor, such interest to accrue on a day-to-day basis.
- 23.3. We may appoint an agent to recover any unpaid sums due from you to us and will pass on any costs and expenses in this respect (including the agent's fees and expenses and any legal fees) incurred by us to you which you agree to pay.

24. INTERPRETATION

- 24.1. If a court decides that any clause or part of any clause is not valid or enforceable for any reason, the remaining clauses will not be affected.
- 24.2. If you or we do not exercise or if you or we delay in exercising a right, power or remedy provided by these Terms or at law, this will not mean that we or you have agreed to waive or give up that right, power or remedy. If you or we exercise any right, power or remedy provided by law or under these Terms, this will not prevent us or you from exercising any other right, power or remedy that we have.

25. GOVERNING LAW

These Terms are legally binding and shall be governed and construed in accordance with English law. We and you submit to the non-exclusive jurisdiction of the English Courts.

26. MONEY LAUNDERING

We are obliged under relevant anti-money laundering laws, rules and regulations to implement systems and controls which are designed to prevent and detect money laundering, terrorist financing and breaches of economic sanctions, such as those issued by the European Union or the UK government. We are also obliged to report incidents of money laundering, terrorist financing or economic sanctions to the relevant government agencies and may also have to cease to act without explanation in certain circumstances. We will have no responsibility to you in respect of any Liabilities to the extent that they arise out of or in connection with our taking any action that we in good faith consider is required under anti-money laundering, anti-terrorism or economic sanctions laws.

27. BRIBERY

We are committed to compliance with all applicable anti-bribery laws, rules or regulations, such as the UK Bribery Act 2010. We do not tolerate instances of bribery in our business and we have robust anti-bribery policies and processes in place, which are designed to prevent bribery and corruption throughout our business.

Schedule 1

Order execution disclosure statement

The purpose of this order execution disclosure statement is to provide you with information about how we handle transactions for you in accordance with our Order Execution Policy (“the Policy”), which has been established to implement the best execution obligations contained within the Second EU Markets in Financial Instruments Directive (Directive 2014/65/EU) (“MiFID 2”).

The Policy applies from 3 January 2018 if you have been classified as a retail or professional client of RBC Europe Limited and you place an order with us or we carry out a transaction acting as a discretionary portfolio manager, in each case in a financial instrument covered by MiFID 2.

RBC Europe Limited owes you an obligation to take all sufficient steps to obtain best execution when executing orders on your behalf. RBC Europe Limited regards itself as typically being in receipt of an order and acting on your behalf where you legitimately rely on RBC Europe Limited 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 where RBC Europe Limited is executing an order by dealing as a riskless principal on your behalf (e.g. where RBC Europe Limited may decide to execute all or part of that order in the capacity of a Systematic Internaliser) or executing an order by dealing as your agent.

We will either execute transactions on your behalf by accessing Trading Venues via Direct Market Access (“DMA”) or by passing your order to another person (such as a broker) to execute in accordance with the Policy. DMA is an arrangement where a member of a Trading Venue allows the electronic transmission of orders directly to a Trading Venue through the use of the member’s IT infrastructure.

The FCA Rules that implement the best execution obligations require us to take all sufficient steps to obtain, when executing orders, the best possible result for clients, taking into account relevant execution factors; this is referred to as “best execution”. This obligation applies where we execute orders via DMA or where we pass orders to other persons for execution. We aim to achieve this by following the Policy and supporting procedures which have been designed to obtain the best possible execution result, subject to any specific instructions you may provide.

Our regulatory obligation to provide you with “best execution” does not mean that we owe you any fiduciary obligations over and above the specific

regulatory obligations placed upon us or as may be otherwise contracted between us. In determining what the best possible result is for you, we will not compare the results that would be achieved for you under our own Policy with the results that might be achieved for you by another firm on the basis of their execution policy.

Client specific instructions

Where we agree to execute your order in accordance with specific instructions you give us (including specifying the characteristics of a bespoke product or the execution venue), you should be aware that this may prevent us from taking the steps we have designed and implemented to obtain the best possible result for the execution of those orders in respect of the element covered by those instructions.

Execution factors

Subject to any specific instructions that we accept from you, the FCA rules require us to take into account a range of factors (known as “execution factors”) in deciding where to execute your order. These include price, costs, speed, likelihood of execution and settlement, the size and nature of the order and any other considerations relevant to the execution of the order. In determining the relative importance of these factors the FCA rules require us to take into account your status as a Retail or Professional Client, together with the characteristics of your order, the financial instruments that are the subject of that order and the execution venues to which that order can be directed.

If you are a Retail Client, in executing your orders we will generally give the highest priority to total consideration, representing the price of the financial instrument and the costs related to execution. In some circumstances (including for clients categorised as Professional Clients), speed, likelihood of execution and settlement, the size and nature of the order and any other considerations may be given precedence over the immediate price and cost consideration where we determine they are instrumental in delivering the best possible results for the execution of your orders.

Execution arrangements and Trading Venues

The Policy includes the various sources of liquidity we access to obtain on a consistent basis best execution for your orders. These sources of liquidity are referred to as “Trading Venues” and are markets where financial instruments are bought and sold. These can include Regulated Markets, Multilateral Trading Facilities (“MTF”), Organised Trading Facilities (“OTF”), Systematic Internalisers, Market Makers, and other liquidity providers.

Where we direct your order to a Trading Venue via DMA, the order will be routed to the most liquid market, generally the primary domestic Trading Venue. We may rely on the Smart Order Routing technology of the DMA provider to help us achieve best execution and, where available and appropriate, we may also use proprietary algorithms made available by the DMA provider to help facilitate best execution.

In selecting an execution venue, we take into account the execution factors and the following qualitative and quantitative factors, as appropriate.

Quantitative Factors

- transaction costs and price are a primary consideration for equity and equity-like instruments but may be less important for other products, including fixed income instruments;
- execution quality performance measured in accordance with the Policy;
- information leakage or toxicity, where trading on a particular venue or venues could lead to an adverse impact on the price; and
- availability of algorithms.

Qualitative Factors

- whether or not the venue is a Systematic Internaliser will rank highly for fixed income or FX instrument client orders;
- reliable and prompt execution will rank highly for equity and equity-like client orders but is less important for fixed income products;
- reliable, prompt and efficient settlement will be a more important consideration for fixed income instruments than it will be for equity and equity-like instruments;
- geographical expertise and location when executing client orders in overseas equity markets; and
- the creditworthiness of an approved broker will be a primary consideration for fixed income and structured products.

You should be aware the Policy provides for the possibility that your orders may be executed on a venue that is not an EU Regulated Market, an MTF or an OTF under MiFID 2. Whilst we anticipate that your orders will not generally be executed outside an EU regulated market, an MTF or an OTF, there may be circumstances in which this is in your best interests.

When trading outside of a Trading Venue, client orders may be exposed to greater risks. For example, there may be no active market on which to carry out such transactions and, as a result there may be an increase in liquidity risk. Other relevant risk factors include difficulty to assess the value of a position following

such a transaction and the clearing and settlement of such trades, which may be left to the client, unlike transactions undertaken on a Trading Venue, where trades are matched up and guaranteed by the venue.

We have set out in an Appendix to this Schedule the execution venues where we will most regularly execute your orders. Please note that this is not an exhaustive list but comprises those execution venues on which we place significant reliance. Execution may occur on other venues from time to time provided those venues are consistent with the Policy.

When we execute your orders we may either access the venue directly or transmit your order to a broker or dealer that has been approved in accordance with the firm's broker selection policy. This includes conducting proper due diligence on financial, compliance and regulatory issues on all new brokers being selected. We only trade with brokers that have been approved in this way.

Where we transmit your order to a broker or dealer for execution we may determine the ultimate execution venue ourselves, in line with the Policy, and then instruct the broker. We will satisfy ourselves that the broker has arrangements in place to comply with the best execution obligation. In selecting the most appropriate venue or approved broker, the FCA rules require us to take into account the execution factors relevant to your order.

In relation to some financial instruments there may only be one possible execution venue. In executing an order on your behalf in such circumstances it will be assumed that we have achieved best execution. Orders for units in a fund will be dealt with directly with the fund manager or administrator.

While the FCA rules require us to take all sufficient steps, based on the resources available to us, to satisfy ourselves that the arrangements we have in place will provide you with the best possible result on a consistent basis, we cannot guarantee that we will be able to provide you with best execution for every order we execute on your behalf.

Monitoring and review of the Policy and order execution arrangements

Where we identify any deficiencies in the Policy and the order execution arrangements as part of our monitoring and review process we will, where appropriate, make changes to our arrangements. FCA Rules require us to establish processes, systems and controls to enable us to assess at least annually, and whenever a material change occurs, the effectiveness of our execution arrangements and the Policy and, where appropriate, to correct any deficiencies. We

will assess whether the execution venues and the approved brokers to whom we transmit orders allow us to achieve best execution on a consistent basis.

Our arrangements include multi-asset class trade level execution outcome monitoring, timely execution monitoring and annual review of the execution quality provided by the execution venues and approved brokers to ensure they continue to provide the best possible result for clients.

Where such monitoring or review indicates that a venue or an approved broker is not enabling us to deliver the best possible result for our clients, the execution arrangement will be amended with a view to improving execution quality.

FCA rules require us to notify you of any material changes to the Policy or our order execution arrangements.

Consent to the Policy

You give us your consent to the Policy by providing orders to us following receipt by you of these Terms of Business. This includes consent to the possibility that transactions may be executed outside EU Regulated Markets, MTFs and OTFs as explained above.

Further information

Information regarding order execution quality can be accessed here: www.rbcwealthmanagement.com/gb/en/terms-and-conditions. If you would like further information on any aspect of our order execution policy please contact us directly.

Schedule 2

Summary of Conflicts of Interest Policy

RBC Europe Limited (RBCEL) maintains a Wealth Management Policy framework to govern the identification and management of conflicts of interest which may exist between it, its employees, its clients and the wider RBC Group (RBC), including RBC's own employees and clients. This framework consists of an overall RBC Wealth Management (UK) Conflicts of Interest Policy, underpinned by various detailed policies to address specific areas of potential conflict arising out of its and RBC's structure and various lines of business.

RBCEL senior management maintain a view of the types of conflicts that might arise across RBCEL and form a view of how conflicts are being managed and controlled. Guidelines and procedures are in place to ensure RBCEL senior management are alerted to newly identified areas of conflict of interest and that there is adequate segregation of duties and sufficient supervision of employees as well as effective information barriers and other measures to ensure that potential areas of conflict are effectively mitigated.

The principal policies in place to address conflicts of interest, and their purpose, are as follows:

Employee Code of Conduct

This Code requires the highest possible standards of honesty and ethical behaviour among employees. All employees are required to attest to having read the Code upon joining and are periodically tested on their knowledge of the Code.

Outside Activities and External Directorships Policy

This Policy requires pre-approval of any employee wishing to take up an outside employment (including a directorship or trusteeship) whether remunerated or not. Approval will not be granted if the proposed appointment presents a conflict with our business or our clients (for example, a directorship at a competitor firm is unlikely to be approved).

Personal Account Dealing Policy

This policy is designed to prevent conflicts that might otherwise arise where our employees are trading on their own account in securities which we could be buying or selling on behalf of our clients. The policy requires employees to follow strict internal rules, including pre-approval, when they wish to trade in securities on their own account.

Gifts and Entertainment Policy

This Policy places restrictions on the type and value of gifts and entertainment received or given by our employees, in order to prevent employees from being improperly influenced in the performance of their responsibilities.

Anti-Bribery Anti-Corruption Policy

This policy details RBC's approach to implementing the anti-bribery anti-corruption requirements of Canada's Corruption of Foreign Public Officials Act, the UK Bribery Act, the U.S. Foreign Corrupt Practices Act, and similar anti-bribery and anti-corruption legislation in other jurisdictions in which RBC conducts business. RBCEL does not tolerate instances of bribery and this policy is designed to prevent employees from engaging in or being improperly influenced by instances of bribery.

Suitability and Appropriateness Policy

This Policy details RBCEL's approach to complying with the FCA's suitability and appropriateness requirements for advised and non-advised services. Included in this Policy are details of what information will be gathered from you to assess suitability (for advised services) or appropriateness (for non-advised services). The Policy also details what monitoring and record keeping arrangements are in place to ensure that investment recommendations to purchase related RBC products or services are suitable to meet your needs.

Market Abuse and Information Barriers Policies

This Policy places tight restrictions on the ability to share client, portfolio and trading information among different parts of RBC.

As such, it facilitates the effective management of conflicts arising where RBCEL deals with other entities within RBC, for example:

- By enabling RBCEL to place trades through RBC as a broker on an arm's length basis, subject to meeting our best execution and trade allocation policies
- By preventing the situation where confidential information received by another part of RBC becomes known within RBCEL, thereby potentially affecting its ability to act in the best interests of its clients
- By ensuring confidentiality and independence between RBC's principal investing activities and RBCEL's fiduciary activities.

Order execution and allocation policies

All trading activity is subject to strict internal rules based upon the FCA requirements. These include, inter alia, the need to take all sufficient steps to obtain, when executing orders, the best possible results for clients, to execute client orders in due turn and the operation of a pro rata allocation policy, all of which are designed to ensure that no one client is favoured over another.

If you require further information concerning our Conflicts of Interest Policy or our conflicts management framework, please contact us.

