

# Terms and Conditions

As used in this Customer Account Agreement & Disclosures, (except as otherwise defined or as such terms are used in the Privacy Notice) the terms “you”, “your”, “yours”, “owner”, and “client” refer to the person or entity seeking to open an account with RBC C&C, and, the terms “RBC C&C”, “RBC CM,” “the Firm,” “we” and “our” refer to RBC CM and its RBC Clearing & Custody division.

## Responsibilities of Your Brokerage Firm and RBC Clearing & Custody

This is to inform you that your brokerage firm has entered into an agreement with RBC Clearing & Custody, a division of RBC Capital Markets, LLC (“RBC C&C”) for certain transaction processing, clearing, custodial and financing functions with respect to your securities account. This agreement allocates certain responsibilities and the performance of various functions with respect to your account between your brokerage firm and RBC C&C. In general, all activities related to the recommendation of securities transactions, the entering of orders, and the supervision of your account, including determining the suitability of transactions in your account, are performed by your brokerage firm. RBC C&C does not have any supervisory authority or responsibility, under the agreement or otherwise, with respect to the activities of your brokerage firm. Moreover, unless RBC C&C receives from you prior written notice to the contrary, it may accept from your brokerage firm as your agent, without any inquiry or investigation: (a) all orders for the purchase or sale of securities and other property in your account on RBC Express Credit or otherwise, and (b) any other instructions concerning your account or the property therein, including the transfer of funds to you or third parties. The following is a more detailed description of the responsibilities and functions allocated under the agreement.

### Responsibilities of Your Brokerage Firm

Your brokerage firm is exclusively responsible for:

1. Opening, approving and monitoring your account, including obtaining, verifying and retaining (a) information necessary to establish your account, (b) information relevant to the assessment of the suitability of transactions recommended to you (including your investment objectives and financial needs and resources), and (c) all other information and documentation with respect to your account that may be required by any applicable law, rule or regulation.
2. Any and all securities transactions in your account, including (a) having reasonable grounds for believing that any recommended transaction is suitable on the basis of facts, if any, disclosed by you as to your investment objectives, other security holdings and financial situation, and (b) that any transactions entered for your account are made in compliance with all applicable laws, rules and regulations.
3. Any investment advice given to you by your financial professional (broker) or any employees of your brokerage firm.
4. Accepting, recording and executing transactions for your account or transmitting orders or instructions from you to RBC C&C for the execution of transactions for your account.
5. Obtaining and providing to RBC C&C all data necessary for the proper performance of any functions allocated to RBC C&C with respect to your account.
6. Investigating and responding to any inquiries or complaints you may have concerning your account and promptly providing written notice to RBC C&C of any complaint made with respect to the services provided by or functions allocated to RBC C&C.
7. Ensuring that its employees comply with all applicable laws, rules and regulations, including, without limitation, the furnishing of any required prospectus or other disclosure statements.
8. Establishing the commissions charged to you for all transactions executed for your account and making details of such charges available to you upon your request.
9. Complying with all applicable laws, rules, regulations and restrictions regarding receipt of securities or funds.

## Responsibilities of RBC C&C

RBC C&C is responsible for:

1. Establishing and carrying an account for you based on information provided by your brokerage firm. Please note you may be responsible for certain fees and/or service charges related to the account carried by RBC C&C. Your Brokerage Firm can answer questions concerning these fees.
2. Settling and clearing securities transactions in your account in accordance with your brokerage firm's instructions. Unless RBC C&C receives from you prior written notice to the contrary, RBC C&C relies on instructions and orders received from your brokerage firm, as your agent, as being authorized by and suitable for you, and make no independent inquiry as to your authorization or the suitability of any transaction in your account.
3. Executing securities transactions for your account if requested by and in accordance with instructions received from your brokerage firm. RBC C&C will not execute any order received directly from you. If your brokerage firm gives specific instructions with respect to the routing of your orders, RBC C&C will follow those instructions. If your brokerage firm does not give specific instructions with respect to the routing of your orders, RBC C&C may execute the order itself, execute the order with another brokerage firm that is a market maker, or execute the order through a primary or regional securities exchange.
4. Preparing and transmitting, or supplying your brokerage firm with the information necessary to prepare and transmit, confirmations of securities transactions for your account. Please note that an annual fee will be assessed with respect to any inactive account. (Your brokerage firm can provide you with a definition of an inactive account.)
5. Preparing monthly or periodic statements of your account and transmitting such statements to you at the address provided by your brokerage firm.
6. Preparing and maintaining such books and records as are required for a broker-dealer performing the functions of a clearing broker pursuant to the agreement between your brokerage firm and RBC C&C and pursuant to all applicable laws, rules and regulations.
7. Receiving, delivering, holding and disbursing funds and securities for your account, including paying or collecting any interest or dividends and processing any exchange or tender offers, redemptions, conversions and the exercise of any options or rights with respect to securities, in each case in accordance with instructions received from your brokerage firm.
8. Extending credit to you for the purchase or sale of securities in your account in accordance with the RBC Express Credit agreement between you and RBC C&C and in accordance with all applicable laws, rules and regulations.
9. Safeguarding funds and securities in your account while such funds and securities are in the possession of RBC C&C.
10. Processing any instructions received regarding transfer of your account to another brokerage firm. Please note that service fees may apply for such account transfer services.

Please note that you are directly responsible to RBC C&C, as carrying broker of your account, for the payment of all securities purchased in and the delivery of all securities sold for your account by or upon order of your brokerage firm. We are pleased to provide these services to your brokerage firm with respect to your account. Please direct any questions you may have to your financial professional about the functions allocated between your brokerage firm and RBC C&C. If, however, you have questions concerning those areas for which RBC C&C is responsible which your financial professional cannot answer, please feel free to contact our Client Service Team at 612-371-7830.

## Additional Terms and Conditions

In consideration of RBC C&C acting as clearing broker for the client, and by acceptance of any of our clearing, execution, custody or other brokerage related services, the client agrees, with respect to all transactions, accounts, options or securities, acknowledges, agrees, represents and warrants to RBC C&C as follows:

### Client Acknowledgement and Agreement

1. You confirm that you are at least 18 years of age and of full legal age in your state of residence or, if the client is an entity or other third party, you confirm that the persons accepting these terms and conditions on behalf of such party have the authority to do so and that any representations, agreements or consents made herein will be made on behalf of such entity or other third party.
2. You acknowledge that you have received the terms and conditions and agree to abide by their terms as currently in effect or as they may be amended from time to time. If this account is a retirement plan using RBC C&C, you acknowledge you have received the applicable plan disclosure document(s).

3. If you select an Automatic Sweep Investment option, you acknowledge that you are granting affirmative consent to have free credit balances in your Account included in the Cash Sweep program and have received the general terms and conditions of the products available through the Cash Sweep program, and such products and terms and conditions may be changed from time to time by RBC C&C.

## Internet Gambling Attestation

If client is an entity, you represent that neither the entity nor any entity controlling, controlled by or under common control with the entity is engaged in an Internet Gambling Business. For purposes of this representation, "Internet Gambling Business" shall mean the business of placing, receiving or otherwise knowingly transmitting a bet or wager by any means which involves the use, at least in part, of the Internet.

## Customer's Agreement

1. **Verification Recording:** The owner acknowledges that all information supplied by the owner will be subject to verification. The owner understands that RBC C&C may tape record telephone conversations with customers in order to verify data concerning securities transactions and hereby consents to such recording.
2. **Disclosure of Financial Information:** The owner understands in connection with this agreement an investigation may be made whereby information is obtained relative to the owner's character, general reputation, and credit worthiness, and that the owner has the right to make a written request within a reasonable period of time for a complete and accurate disclosure of additional information concerning the nature and scope of this investigation.
3. **Representations as to Capacity to enter into Agreement:** The owner, if an individual, represents that the owner is of full legal age, and unless otherwise specifically disclosed in writing herewith, represents that the owner is not an employee of any exchange, or of any corporation of which any exchange owns a majority of the capital stock, or a member of any exchange or of a member firm or member corporation registered on any exchange, or of a bank, trust company, insurance company or of any corporation, firm or individual engaged in the business of dealing, either as broker or a principal, in securities, bills of exchange, acceptances or other forms of commercial paper. The owner further represents that no one except the owner has an interest in the account or accounts of the owner with RBC C&C and the owner will notify us in writing of any change.
4. **Applicable Regulations:** All transactions under this agreement shall be subject to the rules, regulations, customs and usages of the exchange or market (and its clearinghouse, if any) where executed and to all applicable Federal & State laws & regulations as currently existing and which, if modified shall supersede inconsistent provisions in the agreement. RBC C&C and your introducing firm are hereby constituted agents of the owner for the purposes of consummating all such transactions, in the state of residence or elsewhere, using our discretion as to marketplace, and RBC C&C is authorized for the account of the owner to expend such monies, and whenever necessary, to borrow and deliver such monies and/or property as may be required in respect to such transactions.
5. **Execution of Orders:** All orders given by the owner for the purchase or sale of securities or other property, which may be traded on more than one exchange or market, may be executed on any exchange or market selected by RBC C&C. It is understood that we routinely execute orders for the purchase or sale of equity securities with other broker/dealers even though said securities may be listed on an exchange. It is further understood that in connection with such executions we receive a remuneration directly from such other broker/dealers which remuneration is in addition to the commissions charged by RBC C&C to the owner.
6. **Lien:** All securities and other property whatsoever which RBC C&C may at any time be carrying for the owner (either individually or jointly with others) or which may at any time be in our possession for any purpose, including safekeeping, shall be subject to a general lien for the discharge of all obligations of the owner to RBC C&C. RBC C&C shall have the right to transfer money or securities from any of your accounts to another when in our judgment such transfer may be necessary. Notwithstanding any other provision of this agreement, no lien or security interest in favor of RBC C&C or any third party is created under the terms of this agreement in any assets held in a retirement account, such as an IRA, which arise from obligations in connection with any other account, nor is such a lien or security interest created in any non-retirement account due to obligations in connection with any retirement account. Notwithstanding any other provision of this agreement, no lien or security interest in favor of RBC C&C is created under the terms of this agreement in connection with any purchase of margin stock or margin debt in any assets held in your accounts that are proceeds of loans secured by margin stock extended by affiliates of RBC C&C.
7. **Liquidation:** Whenever RBC C&C deems it necessary for our protection, we are authorized, in our sole discretion, to close out the account in whole or in part and in connection therewith we may sell, assign and deliver all or part of the securities, option contracts, or other property, pledged hereunder, upon any exchange or market or at any public or private sale at our option, and make any necessary purchase to cover short sales or open option contract positions, all without demand for margin, advertisement, or notice of purchase or sale to the owner, or to your personal representatives (which are hereby

expressly waived), and no specific demand or notice shall invalidate this waiver. After deducting all costs and expenses of the purchase and/or sale and deliveries, including commissions and reasonable legal fees RBC C&C shall apply the residue of the proceeds to the payment of any and all liabilities of the owner to RBC C&C, and the owner shall remain liable for any deficiency. Upon any such sale, other than private sale, we may purchase the whole or part thereof free from any right of redemption. In the event of the death of the owner, the authorizations given by this paragraph shall continue to be effective and shall be effective upon the personal representatives of the owner.

- 8. Maintenance Margin Requirements:** The owner is aware that RBC C&C may impose margin requirements more stringent than those required by law or regulatory bodies. The owner further acknowledges that such house requirements may be changed or modified by us from time to time without prior notice to the owner. The owner hereby agrees to comply with said house requirements in addition to all legal and regulatory requirements governing owner's account. The owner further agrees that any waiver by us or failure to promptly enforce, as to the owner's account or that of others, such house requirements shall not stop or otherwise prevent us from subsequently enforcing said requirements with regard to the owner's account.
- 9. Interest Charges:** Interest on debit balances shall be charged in accordance with RBC C&C interest computation schedule under Rule 10b-16 of the Securities Exchange Act of 1934. RBC C&C may charge the owner's account with such usual and customary charges as we make to cover our services and facilities, including those for any check received by RBC C&C for the account of the owner which check is returned by the drawer's financial institution for insufficient funds. It is understood that such interest charges may exceed the permissible rate under the usury laws of the state in which the owner resides. The owner expressly waives any rights which the owner might otherwise have under such statute and specifically agrees that the permissible rate of interest which may be charged to RBC Express Credit customers under the laws of the State of Minnesota shall govern. It is understood and acknowledged that the interest charge made to the owner's account at the close of one charge period will be compounded, that is, added to the opening balance for the next charge period unless paid, thereby becoming part of the principal amount and bearing like interest.
- 10. Payment of Indebtedness Upon Demand:** The owner undertakes upon demand, to discharge the owner's obligations to RBC C&C, or, in the event of a closing of any account of owner in whole or in part by RBC C&C or the owner, to pay the deficiency, if any, and the owner agrees to reimburse us for any costs or expenses incurred in collecting such amounts, including reasonable attorney's fees.
- 11. Presumption of Receipt of Communications:** Communications may be sent to the owner at the address indicated in our records from time to time, and all communications so sent, whether by mail, telegraph, messenger or otherwise shall be deemed given to the owner personally, whether actually received or not. Reports of the execution of orders and statements for the accounts of the owner shall be conclusive if not objected to in writing at once.
- 12. Extraordinary Events:** RBC C&C shall not be liable for loss caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, strikes, or other conditions beyond our control.
- 13. Governing Law: Obligations continuous:** This agreement shall be governed by the laws of the State of Minnesota, exclusive of that state's choice-of-law provisions. The provisions of this Agreement shall be continuous and cover individually and collectively all accounts which the owner may open or reopen with RBC C&C and shall inure to the benefit of RBC C&C, our successors and assigns and shall be binding upon the owner and/or the estate, executors, administrators and assigns of the owner.
- 14. Joint and Several Liability:** If the owner consists of more than one individual, each such individual grants the authority to all other such individuals to take action, individually, with respect to the account and each such individual shall be jointly and severally liable for any such action.
- 15. Modifications and Amendments to Agreement:** Except as herein otherwise provided, no provision of this Agreement may be amended, modified or waived unless in writing, signed by a duly authorized officer of RBC CM.
- 16. Headings:** The heading of each provision hereof is for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such provision.
- 17. Important information about procedures for opening a new account.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means to the account owner: When an account is opened, we may ask for the account owner's name, address, date of birth and driver's license or other identifying documents that will allow us to verify the account owner's identity.

## Order Routing Policies and Payment for Order Flow

### Receipt of Payment for Order Flow

Upon the receipt of an order from your brokerage firm, RBC C&C may, depending on the security involved and/or the size of the order, route to RBC CM, or another broker-dealer for execution. RBC C&C assesses the quality of the markets to which it routes order flow. Our primary objective is to obtain the best execution of orders, regardless of any compensation factor.

RBC C&C has established electronic connectivity with broker-dealers and/or other market centers (collectively, “market centers”) for the purpose of routing orders in equity securities and options for execution. These connections have been entered into based upon the execution quality provided by these market centers, evaluated on the basis of price improvement performance, liquidity enhancement, frequency of executions taking place at or better than the inside market and speed of execution. RBC C&C regularly assesses the execution performance of the market centers to which it routes order flow, as well as competing market centers.

Client orders sent to market centers are subject to the principles of best execution. Each of these market centers provides the opportunity for execution of these orders at prices better than the national best bid or offer (“NBBO”).\*

For option orders, RBC C&C receives payment in the form of rebates and credits which may exceed the amount we are charged in return for routing client orders. Any remuneration that RBC C&C receives for directing orders to any market center will not accrue to your Account.

RBC CM contracts with third party vendor, S3 Matching Technologies, LP to provide execution metrics that RBC CM uses to evaluate execution quality among various markets and firms. RBC CM has arranged for its market centers to remit payment for a portion of this service based on the previous year’s volumes routed to each destination.

RBC CM acts as a market maker in certain equity securities and Exchange Traded Funds (ETFs). RBC CM may trade as principal with RBC C&C client orders, and stands to realize profits and losses as a result of this trading.

With respect to your orders, RBC CM utilizes a “No Knowledge” exemption available under FINRA rules that permits RBC CM to trade for its market making account at prices that would satisfy an order that you place with RBC C&C without executing your order. The availability of this exemption is based upon the persons responsible for execution of orders for RBC CM’s market making account being unaware of the client order(s) that may have been eligible for execution at the price at which RBC CM’s market making account traded.

RBC C&C may execute an order internally with RBC CM or with other market centers. In addition, RBC CM may utilize a “Large Orders and Institutional Account” exception for orders of 10,000 shares or greater or \$100,000 or greater in value that permits RBC CM to trade for its market making account at prices that would satisfy an order that you place with RBC C&C without an execution. For information with respect to RBC C&C’s handling of customer orders see “SEC Order Handling Disclosures” at <https://www.rbcclearingandcustody.com/en-us/legal/>. Should you desire a written copy of this information, contact your financial professional.

Although odd-lot volume is reported to the consolidated tape and included in the daily reported volume, such transactions are not included in the calculation of the closing price for a security, nor are they reflected in the daily high or low price of a security. Odd-lot transactions also do not trigger a Limit Up/Limit Down state, a single stock circuit breaker or any other condition that may lead to a trading halt, nor will the execution of an odd-lot trigger any stop order you may have placed with RBC C&C.

You have the right to request information with respect to any order in an equity security or option that was placed on your behalf with RBC C&C during the six months preceding your request. Specifically, upon your request, RBC C&C will disclose where your order was routed for execution, or, alternatively, whether it was executed principally by RBC Capital Markets. Additionally, RBC C&C will disclose to you the time(s) of any execution(s) resulting from your order. While SEC rules require disclosure of whether an order was routed to a particular market center at your request, RBC C&C has a policy against accepting such directed orders from its clients. If you desire to make a request with respect to where your order was routed for execution and the time(s) at which your order was executed, you may contact your financial professional. Your brokerage firm may choose to execute trades away from RBC C&C. It is your brokerage firm’s responsibility to disclose any payment it receives for order flow it directs to anyone other than RBC C&C. It is also your brokerage firm’s responsibility to assess the quality of the market for trades executed away from RBC C&C.

*\* The NBBO is the best published bid or offer price for the purchase or sale, respectively, of a security at the time an order is presented for execution.*



## Business Continuity Statement

RBC Capital Markets, LLC (the “Firm”) is committed to protecting its employees, clients and their assets at all times, including during emergencies or significant business disruptions. The Firm’s Enterprise Business Continuity Program has been developed to provide a reasonable, but not absolute, assurance of business continuity in the event of a disruption to the Firm’s normal operations. As part of this commitment, and in compliance with internal policies and industry regulations, the Firm has developed and implemented Business Continuity Plans (the “Plans”) for its business units. Each Plan is developed by identifying each business unit’s critical risks and documenting the functional requirements needed to reestablish essential business operations. The Plans document the actions and procedures to be followed before, during, and after a prolonged service outage resulting from the loss of operational facilities, critical information systems, or essential personnel. In instances by which business processes require recovery from a significant operational disruption, the Plans include off-site recovery environments, work-area displacement agreements, and/or work-from-home arrangements.

The Firm conducts annual disaster recovery exercises, designed to ensure computing systems and networks are built with sufficient redundancies. The Firm also requires all business units conduct an annual contact exercise to ensure personnel, particularly recovery team personnel and their alternates, can be contacted at any time, on short notice. In addition, Plans are tested throughout the year in an effort to ensure that the Firm and its clients are provided with a recovery solution most conducive to their needs. The Firm relies on the availability, capacity, and reliability of information technology. Each primary computer center has a corresponding back-up/disaster recovery site that is established away from the Firm’s primary facilities. The Firm’s computer centers are equipped with stand-alone electrical power and cooling capabilities sufficient to run for several weeks without relying on utility power. In an effort to ensure that applications are restored within a period of time acceptable to the business, applications have been prioritized, and their recovery requirements are based off of that prioritization. The Firm’s incident management team is responsible for the coordination of communication and response procedures in the event of a disruption or possible disruption to normal operations. Included in the incident management team’s responsibilities is the communication of the Plans with regulatory agencies and key business partners. Members of the incident management team, and its procedures and protocols, have been documented in the Plans. Pertinent updates to this disclosure statement will be posted on the Firm’s websites, as required by applicable law or regulation. Hard copies of the disclosure statement can be obtained by contacting my representative of the Firm. The Plans are confidential and proprietary in nature and are therefore not made available for public distribution.

## Protecting Your Assets

Securities in your account are protected up to \$500,000 (cash up to \$250,000) by the Securities Investor Protection Corporation (SIPC). RBC Capital Markets, LLC (“RBC CM”) has purchased an additional policy covering up to \$99.5 million per SIPC qualified account, subject to a maximum aggregate for RBC CM of \$400 million. This protection applies to the physical loss or destruction of your securities; it does not apply to any decline in the market value of your securities. Other investments shown on your statement but not held at RBC CM may not be protected by SIPC or private insurance policies purchased by RBC CM. For more details, please talk to your Financial Professional or call SIPC at (202) 371-8300 for a brochure or visit [www.sipc.org](http://www.sipc.org).

## Partial Redemption of Callable Securities

Securities with call features may be called in whole or in part. The following information describes the partial redemption procedures established at RBC C&C.

### Partial Redemptions

In a partial redemption, the issuer elects to exercise or call only a portion of the outstanding par value of the security outstanding. In such a case, some investors may have all or a portion of their position redeemed, while others may not have any portion of their position redeemed. It should also be noted that the issuer, not the investor, has the right to exercise a call or redemption.

### Description of Partial Redemptions Allocation Process

The redemption process begins when an issuer notifies the Depository Trust Corporation (“DTC”) that it will exercise a partial call of the shares outstanding for a specific issue. DTC provides depository services to approximately 3.5 million security issues located in the United States and other countries. The issuer provides the specific security and the amount to be redeemed. After receiving a redemption notice from the issuer, DTC, using an impartial, random lottery system, allocates security positions to broker-dealers that hold securities in “street name.” In a partial call, participants may not receive an allocation from DTC because of the random lottery process.

Upon notification of a partial call by an issuer, a third-party vendor of RBC C&C conducts a lottery to allocate the calls in a fair and impartial manner among customers holding the specific security.

### **Partial Redemption Lottery System**

FINRA Rule 4340 requires, among other things, that RBC C&C have procedures that are fair and impartial to allocate securities to be redeemed or selected in the event of a partial redemption or call. When a partial call is offered on terms favorable to owners of the security, the member firm must take measures to prohibit the allocation of the call to its “proprietary accounts or those of an affiliate or certain associated persons, before all of its customers’ security positions have been redeemed. Likewise, if a redemption or call is made on unfavorable terms, a firm may not exclude its position from those that may be called or put itself ‘last in line.’”

RBC C&C engages a third-party vendor to administer its lottery system for partial calls. The lottery system is designed to allocate calls for redeemed securities in a fair and impartial manner, and is consistent with regulatory guidance, including, among others, FINRA’s Regulatory Notices 14-05 and 08-21, FINRA Rule 4340, and MSRB Rule G-17. Specifically and as described in the rule, RBC C&C uses a type of lottery system that ensures that the probability of any unit held by a customer included in a partial call is proportional to the holdings of all customers for the specific security. It should be noted that the lottery system used by RBC C&C’s third-party vendor does not allocate the securities to customers on a pro-rata basis.

The lottery performed by RBC C&C’s third-party vendor begins with the identification of the number of units in each customer’s account for the specific security called. Each unit is entered in the lottery process. Units per customer are determined by dividing the total par value of the customer’s position by the unit of trade for the redemption. As an example, a customer with a \$40,000 position in the security when the unit of trade for the partial call is \$20,000 would have two units entered into the lottery. Similarly, a customer who owns \$200,000 would have 10 units in the lottery. Although each unit has the same probability in the lottery, the chance of a customer receiving a partial redemption is based on the number of units each customer has entered in the lottery.

The lottery procedures for callable securities may be found on RBC C&C’s website at <https://www.rbcclearingandcustody.com/en-us/legal/>. A printed copy of these procedures may be requested from your financial professional.

### **Client Rights**

If a security is eligible for registration in a client’s name, the client reserves the right to withdraw uncalled, fully paid securities or excess margin securities (provided the account is not subject to a Regulation T restriction or such withdrawals will not cause a Rule 4210 under-margined condition) from the account at any time prior to the issuer making notification of redemption.

### **Important Notice Regarding Securities Lending**

RBC CM is permitted to lend or utilize margin securities in its possession and may receive compensation in connection with the use of such securities. Securities in your brokerage account that are not fully paid for and held in an RBC Express Credit account may be loaned by RBC CM. If the securities in your brokerage account are fully paid for, RBC CM may not use the securities for lending purposes without your consent which you may withhold.

### **Automatic Sweep Investment (also known as a “Cash Sweep”)**

By selecting an Automatic Sweep Investment option on your account opening documents or providing specific authorization to your financial professional, you acknowledge that you are granting affirmative consent to have free credit balances in your account included in the Cash Sweep program and have received the general terms and conditions of the products available through the Cash Sweep program, and such products and terms and conditions may be changed from time to time by RBC CM. Your selection of an Automatic Sweep Investment option is a specific authorization for RBC CM to invest or transfer free credit balances in your account according to the general terms and conditions of the products available under the Cash Sweep program. RBC CM may change your Automatic Sweep Investment option, including changes between money market funds and FDIC insured products, upon appropriate notice to you and in accordance with applicable regulations.

The cash sweeps occur on either a daily or weekly basis depending on the account type and account level balance. Retirement accounts and RBC Cash Management Accounts, including the new Dedicated Cash Management Account (Cash Management Accounts—offer clients access to a suite of digital and other payment features and services), will sweep on a daily basis, regardless of the dollar amount in cash balances. Subject to availability of funds, other account types will sweep daily on cash balances in excess of \$1,000.00; however, balances that are less than \$1,000.00 will be swept weekly every Friday night, and the last business day of the month.

The Automatic Sweep Investment options available through RBC CM include money market funds managed by RBC Global Asset Management (U.S.) Inc., an affiliate of RBC CM, certain Federated money market funds, RBC Insured Deposits and RBC

CM's Credit Interest Program ("CIP"). CIP is a cash investment alternative whereby the interest rate is established by RBC CM based on prevailing market conditions and is subject to change periodically. There are different Automatic Sweep Investment options available for different types of accounts.

An available cash balance may be created in your account through various methods. Examples include a deposit of funds, dividend and interest payments, or the sale of a security. Accounts that are established solely for execution purposes such as delivery versus payment (known as DVP) and receive versus payment (known as RVP) do not have an Automatic Sweep Investment feature.

On checks deposited into an account, there is a two business day hold on the investment or deposit in the designated Automatic Sweep Investment.

You may change your choice of Automatic Sweep Investment from time-to-time upon notification and acceptance by RBC CM. If you fail to select an Automatic Sweep Investment option and the account is a retirement account that is participating in the RBC CM investment advisory program, your Automatic Sweep Investment option will be assigned as explained in the Advisory Program Terms and Conditions.

Dividends and interest (and capital gains or losses) are accrued daily starting on the date of investment or deposit into the Automatic Sweep Investment through the business day prior to the date of withdrawal or redemption from the Automatic Sweep Investment. For money market fund sweep options, dividends (and capital gains and losses) are made payable into your account in cash for systematic disbursement, or reinvested into the designated Automatic Sweep Investment, on the last business day of the month. For CIP, interest is made payable into the Account in cash on the fourth to last business day of the month.

Investors in each Automatic Sweep Investment option indirectly pay a proportionate share of the expenses related to the management of that particular cash investment option. More specifically, investors in the money market funds managed by RBC Global Asset Management (U.S.) Inc., indirectly pay a proportionate share of each Fund's investment management fees payable to RBC Global Asset Management (U.S.) Inc., an affiliate of RBC CM.

It is your responsibility to monitor your Automatic Sweep Investment option. The return on the Automatic Sweep Investment option, as well as your personal financial circumstances, may change over time. And, depending on your circumstances, it may be in your best interest to change your Automatic Sweep Investment option or invest cash balances in products offered outside of the Automatic Sweep Investment program that are consistent with your investment objectives and risk tolerance. For additional details regarding the Automatic Sweep Investment options and other investment options, you should consult with your financial professional and/or review offering documentation such as a prospectus for a particular investment option.

RBC CM does not have any duty to monitor your Automatic Sweep Investment option for your Account or make recommendations about, or changes to, the Automatic Sweep Investment program that might be beneficial to you.

**Credit Interest Program ("CIP")** represents our direct obligation to repay the invested amount, on demand, plus interest. We invest CIP assets and periodically adjust the interest rate payable on CIP accounts. The spread between interest earned by us from our investments and the rate paid to CIP account holders may be favorable to us. You agree that any deposit of funds into CIP is with the intention of ultimately investing such funds in securities, and not as a long-term, interest-bearing investment. You acknowledge that CIP has not caused you to refrain from depositing these funds in a bank or retirement Account or from purchasing from a bank any debt instrument.

You understand that under applicable federal securities laws and the rules of the New York Stock Exchange, Inc., free credit balances may not be maintained in your Account solely for the purpose of earning interest. In order to ensure that you are protected at all times, you must notify your financial professional promptly if any of your funds in CIP are no longer being held for the purpose of purchasing securities. RBC CM assumes no responsibility for any cash balances not protected by SIPC if such cash is held for a purpose other than the purchase of securities.

You also understand that RBC CM may discontinue or change its policies and procedures with respect to CIP at any time and that RBC CM is not contractually or otherwise obligated to pay interest on funds held in CIP.

## **RBC Dedicated Cash Management Account ("DCMA")**

A DCMA at RBC CM is a brokerage Account in which you can separately manage your operating cash. In a DCMA, you can utilize money movement services including, but may not be limited to, VISA(R) Debit Cards, Checks, ACH Transactions, bill payment services, etc.; you cannot trade or hold securities in a DCMA. You are required to have at least one other non-DCMA Account at RBC CM to have a DCMA. There is no fee for having a DCMA.



## Non-Transferable Securities

RBC CM reserves the right to remove from clients' accounts any securities that have no known transfer agent or administrator. The absence of a transfer agent or administrator means that a security cannot be transferred into the name of a new owner and thus cannot be traded, and it is a strong indicator that a security's issuer is inactive or insolvent. RBC CM removes any security that has had this characteristic for a period of six years or longer. Removed securities are reported on the client's year-end tax statement. Affected clients should consult their tax advisor for an opinion on whether they may claim a tax loss. Clients may request, through their financial professional, to receive a letter stating that there is no known current market for the removed security; however, the letter should not be considered to be conclusive evidence of a security's worthlessness.

## Returned Correspondence

If correspondence to a client is returned to RBC CM as undeliverable or RBC CM is otherwise unable to locate a client, RBC CM may, but is not required to, terminate all standing instructions for the client's account, including transfers of securities or cash in or out, good until cancelled orders, and automatic investment elections (including any dividend reinvestment plans and periodic purchases and sales of mutual funds). RBC CM will not be required to take any action with regard to the account or any property in the account, including participating in any voluntary reorganizations or other offerings made by issuers of securities in the account. Any fees applicable to the account, including account maintenance fees, will continue to be charged against existing assets in the account.

## Important Notice Regarding Delivery of Shareholder Documents and Account Documents

For clients who do not take advantage of online access for suppressing shareholder document mailings, and that have an account that is shared by two or more clients at the same address that also have the same last name, or that we reasonably believe to be in the same family, we will mail a single prospectus, annual report or other shareholder document to the address.

If you would like to continue receiving separate shareholder documents, you must notify us within 60 days of the date of this mailing by calling 1-800-933-9946. Failure to notify us within 60 days implies your consent to this change. Your consent will remain until such time as you revoke it. You may revoke your consent at any time by calling 1-800-933-9946. We will begin sending separate shareholder documents to you within 30 days of the date when you revoke your consent. In addition, where two or more clients share the same address, we may consolidate some or all of the account statements, summaries, and other account documents for such client accounts in the same envelope. This practice is known as "householding." Accounts may be added to or excluded from householding as clients move to or from the address to which the household account statements were sent. Additionally, the individual selected to receive the household account statements may also change over time. If you wish to opt out of householding and receive statements for each account in separate envelopes, please contact your financial professional listed on the account statement.

## Treatment of Personal Information, Proxy Materials and Issuer Communications for Foreign Securities

You acknowledge that, if your Account contains securities issued by a non-U.S. issuer, RBC C&C is not obligated to distribute issuer communications to you unless we specifically agree to do so or if it is required by U.S. laws, rules, and regulations applicable to RBC C&C. You consent to RBC C&C sharing personal information about you to the extent it is required by applicable non-U.S. laws. Specifically, but without limitation, Directive (EU) 2017/828 and the related Commission Implementing Regulation (EU) 2018/36/EC and national laws implementing those requirements (together, "SRD II") allows a company with a registered office in the European Union (each, a "European Company") which is admitted to trading on an European Union regulated market (each, an "EU Security") to request certain information about you from RBC C&C including your name, address, electronic mail address (if available), and your holdings of the EU Security issued by such European Company. You consent to RBC C&C disclosing such information about you in response to such a request from the issuer of that EU Security, regardless of whether or not you meet the ownership threshold applicable under SRD II. In so responding, RBC C&C may respond directly to the applicable European Company or to intermediaries through which we receive such requests, in accordance with SRD II. RBC C&C may provide such information even if you object to us providing information about you to companies whose securities RBC C&C hold for your Account under SEC Rule 14B-1(c), if you object to other disclosure or use of your personal information as described in the Privacy Notice, or if you've objected to any such disclosure under other applicable laws, rules, or regulations.

You acknowledge that you must enroll in electronic delivery of account notices and disclosures to receive notice of any voluntary corporate action, proxy, or other election available to you as a holder of EU Securities. If you do not enroll in electronic delivery, you nominate RBC C&C to receive such material on your behalf and we are not obligated to provide notice to you that we have received such material. You nominate RBC C&C to receive all confirmations in connection with the exercise of my rights as a holder of EU Securities in your Account on your behalf and you acknowledge that RBC C&C will provide such confirmations to you upon your request.

For the avoidance of doubt, RBC C&C will have no liability to you for actions taken, or not taken, by us or our agents in good faith with the intention of complying with applicable non-U.S. laws affecting the securities we hold for your Account, including, but not limited to, any provision of SRD II.