

**MULTIPLE MARKETPLACE CLIENT DISCLOSURE
RBC DIRECT INVESTING (“RBC DI”)**

RBC Direct Investing (“RBC DI”) is committed to using all reasonable efforts to ensure that client orders achieve “best execution”. In the context of multiple marketplaces in Canada that trade the same securities RBC DI has prepared this disclosure to inform clients of the manner in which client orders (and specific order types) will be handled in a multiple marketplace environment.

ALTERNATIVE TRADING SYSTEMS

Alternative Trading Systems, or AT Ss as they are known, have emerged in Canada to compete with traditional exchanges. Whereas historically orders for exchange-listed securities were routed to the listing exchange for execution, AT Ss now provide for the ability to buy and sell securities on marketplaces¹ other than the listing exchange. Meant to foster innovation and competition, the emergence of AT Ss in Canada provides dealers with the ability to route orders to more than one marketplace.

ORDER TYPES

Certain types of orders have specific handling implications in a multiple marketplace environment. These have been addressed as follows:

DAY ORDER

An order that, if not executed during market hours of operation will expire. In the context of a multiple marketplace environment, any unfilled portion of a day order will expire at the close of the continuous trading session of the marketplace on which the order is entered. For greater certainty, unless otherwise provided for, a day order will not be eligible for participation in the Market-on-Close facility (“MOC Facility”) of a marketplace.

GOOD THROUGH ORDER

A “good through” order will, subject to marketplace operational requirements and unless cancelled, amended or executed, remain active on the marketplace for a maximum of 30 days from the date of order entry.

MARKET ORDER

An order to buy or sell a security at the then current price of a security as determined by the marketplace consolidated best bid or best ask. Market orders are immediately executable provided there is an available bid or ask posted on a marketplace that is then open for trading.

LIMIT ORDER

An order with a pre-determined minimum or maximum execution price. To the extent that the limit price of the order is not achieved, the order, or any unexecuted portion of

¹ The term “marketplace” generally refers to exchanges and AT Ss in Canada.

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the order will, subject to marketplace operational requirements, expire as a “day order” or “good through order” as entered on the marketplace.

SPECIAL TERMS ORDER

An order with a specific term, typically related to non-standard settlements terms or orders for less than a standard trading unit² of an exchange-listed security that prevents the order from being executable in the regular trading session of a marketplace. A special terms order will expire at the close of the trading day on the marketplace upon which it was entered.

STOP LIMIT ORDER (Canadian Marketplaces)

An order that becomes executable when at least one Standard Trading Unit of the subject security is traded at a price that triggers the activation of the order (trigger price). Unless otherwise agreed to, a stop loss order that is “triggered” will convert to a Limit Order managed to the stop limit price of the order. Unless otherwise provided, these orders will be routed to the listing exchange for the security and will expire as a “day order” or “good through order” from the date of the “conversion” to a limit order.

MINIMUM FILL ORDER

An order that is contingent on the execution a specific minimum number of shares (or units), including a complete fill (also referred to as an “all-or-none-order”). While RBC DI does not generally accept a Minimum Fill order (or an “all-or-none order”), it may do so on a case-by-case basis. Please speak to your investment service representative for details.

MARKETPLACE HOURS OF OPERATION

The historic trading hours of exchanges in Canada has been between 9:30 a.m. EST and 4:00 p.m. EST. Certain marketplaces open earlier or close later than these historic trading hours. RBC DI trading staff and systems are available for order execution between 9:30 am EST and 4:00 pm EST (“Market Hours”), Monday through Friday, not including statutory holidays in Ontario. While RBC DI staff may be available outside of Market Hours, unless otherwise stipulated, all client orders will be handled in the following manner:

- A Market Order or Limit Order received outside of Market Hours will, unless otherwise instructed by the client, be entered on the marketplace which provides the most advantageous execution terms reasonably available under prevailing market conditions (“Best Execution”). In determining which marketplace would

² Standard Trading Unit:

- 1,000 units of a security trading at less than \$0.10 per unit;
- 500 units of a security trading at \$0.10 or more per unit and less than \$1.00 per unit; and
- 100 units of a security trading at \$1.00 or more per unit.

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provide Best Execution, RBC DI will rely on marketplace trading data to determine which marketplace is most likely to provide the most advantageous execution for a client order.

- A Market Order or Limit Order received during Market Hours will, unless otherwise instructed by the client, be entered on the marketplace which provides the client order with Best Execution.

In the normal course, Market Orders received during Market Hours will be entered on a marketplace that, at the time of order entry, has the “best price”. Best price will be determined with reference to a consolidated market view at the time an order is received by RBC DI. Subject to various considerations, including the specific security, size of the order, and general market conditions, orders will be routed to, in the case of a sale of security, the marketplace with the highest “bid”; and in the case of a purchase of a security, the marketplace with the lowest “ask”.

In the case of a Limit Order that is not within the context of the market at the time of order entry, the order will be “booked” on a marketplace that in the view of RBC DI would provide Best Execution of the client order, including, in specific circumstances, entry of the order a marketplace that does not provide pre-trade transparency (i.e. dark marketplace).

Insofar as a Limit Order, or any part thereof is “booked” to a marketplace, the order will remain on the marketplace until the order is filled, expires, changed or cancelled. Any amendments to a “booked” order, or portion thereof, will be handled in the same manner as a new order (i.e. may result in a loss of execution priority on a marketplace).