

RBC DIRECT INVESTING INC.

OPERATION OF ACCOUNT AGREEMENT

This booklet contains important information about your account, including the terms of your agreement with us, details on how we operate your account, our Commission and Fee Schedule, and our commitment to protecting your privacy. It also includes information on investor protection from the Canadian Investor Protection Fund and the Investment Industry Regulatory Organization of Canada. Please keep a copy of this booklet on file for future reference.

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In consideration for RBC Direct Investing Inc. (hereinafter referred to as “we”, “us”, “our”, or “RBC Direct Investing”) buying, selling and generally dealing with and trading in securities, the holder of the account with us, or anyone authorized to trade in the account by the holder of the account, (hereinafter referred to as “you”, “your” or “accountholder”) agree that this agreement and any other applicable agreements will govern all matters pertaining to all of your accounts with RBC Direct Investing, including any future accounts or any account which you have an interest in alone or jointly.

PART 1 – INTERPRETATION

1.1 Definitions: All terms not otherwise defined herein shall have the following meanings:

“Account” means the account maintained by us on behalf of the accountholder pursuant to the terms of this agreement;

“Account Documentation” means this agreement, our account opening forms and all other agreements, forms and documents relating to your

Account, whether created or executed prior to or after the date of this agreement;

“Automated Service” means any service we provide, now or in the future, that allows you to access your account, information or other services we provide by regular or automated telephone communications, interactive voice recognition, cellular, wireless or portable phone, mobile device, interactive device, fax machine, personal computer, intelligent terminal television, modem, Internet, online or other electronic communication system or other similar devices. An Automated Service includes Mobile Service. Information refers to any information you receive or provide through an Automated Service, including quotations and order requests you place;

“CIPF” means the Canadian Investor Protection Fund;

“collateral” means all present and future credit balances, securities or contracts relating to securities held or carried through your Account, including any property in which you have an interest, and dividends or other income derived therefrom;

“FI Account” means an account in your name or, if applicable, in the name of a spousal contributor, at another financial institution;

“IIROC” means Investment Industry Regulatory Organization of Canada;

“information provider” means any company or person who directly or indirectly provides us with information. This includes securities and market data from stock exchanges and other securities markets and from dealers and issuers of securities;

“Message Centre” means our online communication centre located in our secure online site. It is where information may be securely communicated between you and us;

“Mobile Service” means an Automated Service allowing access to your Account, information or other services through a downloadable software application that we offer to you when using certain mobile devices;

“Order request” means any buy, sell, trade or transfer request for stocks, mutual funds, options (if applicable), cash or other securities or financial instruments or means that is created and transmitted by you and received by us through our Automated Service if and when such order request service is provided by us. Order request also means a transfer request for any credit balances in your Account to another account for which you have access to Automated Services subject to any restrictions or approvals established by RBC Direct Investing, in its sole discretion;

“PAC” means the pre-authorized transactions set out in the PAC Agreement;

“PAC Agreement” means the Application for Funds Transfer sections of the Client Account Form;

“Quotation” means any request made through our Automated Service for stock, option, index or other market quotation including bid/ask/last price/changes;

“RBC” means Royal Bank of Canada;

“RBC Company” means any of the affiliates of RBC or any of the companies owned directly or indirectly by RBC, and “RBC group of companies” means all such companies;

“Regulations” means all applicable laws or the rules, regulations, bylaws or policies of any applicable regulatory or self-regulatory organizations that apply to us or this agreement;

“Royal Trust” means Royal Trust Corporation of Canada and The Royal Trust Company;

“securities” includes shares, share certificates, scrip certificates, deposit receipts, warrants, rights, bonds, debentures, notes and any other securities of any kind whatsoever, commodities and futures contracts, options on securities and options on commodities and futures contracts;

“SIN” means social insurance number;

“Spouse” means any person to whom you are legally married or any person to whom you live with in a conjugal relationship outside of marriage;

“SROs” means self-regulatory organizations having authority to create Regulations, including IIROC, CIPF and the TMX Group Inc. and its affiliates and subsidiaries; and

“Taxes” means any and all applicable taxes, assessments, interest and penalties.

The headings in this agreement are for convenience of reference and shall not in any way affect the interpretation of this agreement. Where singular is used it shall include the plural.

PART 2 – APPLICATION

2.1 General Account Agreement: By completing the attached account opening forms and transacting in your Account, you agree to the terms set out in the account opening forms, this Operation of Account agreement and any other applicable agreements. This agreement also applies if:

- your Account is temporarily closed or reopened, or we give it a different number; and
- there is more than one accountholder or if any of the accountholders is a corporation or other entity.

PART 3 – OPERATION OF ACCOUNT

3.1 Account Instructions: We may, at our discretion, honour instructions purporting or claiming to be from you given by verbal telephone conversation with our licensed employees, by telephone, facsimile or other electronic transmission, including without limitation, instructions provided to RBC Direct Investing through an Automated Service, or such other manner as RBC Direct Investing may determine, without the necessity of any verification or enquiry, other than the RBC Direct Investing identification number provided to you. We may, at our discretion, record any telephone communications between you and us. We will treat any instructions you give us through an Automated Service as correct as received by the Automated Service.

We may refuse to execute any instructions with respect to your account, including, without limitation, any order for the purchase or sale of a security or for the deposit or withdrawal of securities or money from your account, whenever we deem it necessary for our protection or for any other purpose and without any obligation to provide you with notice of any such refusal. We are not liable for any loss, expense or damage you suffer if we refuse to execute any instructions with respect to your account.

3.2 No Advice: You acknowledge that RBC Direct Investing does not provide any investment advice or recommendations regarding the purchase or sale of any securities in your account, and therefore we do not accept any responsibility for the suitability of any of your investment decisions or transactions. You are solely responsible for your investment decisions and any resulting profits or losses.

3.3 Trading Authorization: By completing a trading authorization form, you can give another person authorization to trade securities in your account, including buying and selling on margin or short selling (where applicable), debiting the accounts at Royal Bank designated by you in writing from time to time, to transfer money between your accounts and your Royal Bank accounts (subject to reasonable restrictions imposed by us from time to time for registered plans). We will act on this person's

instructions without conducting any inquiries or investigations into the propriety of such instructions. If you give authorization to more than one person, each person can deal independently with us without the consent of the others. This person may withdraw money or securities from your Account if the money is payable to you or the securities are registered in your name. This person will have access to any and all Account Documentation that is accessible via an Automated Service for so long as the trading authorization is in effect. If you want to end another person's trading authorization on your account, you must send us a notice in writing to this effect. The notice will be effective five business days after the day we actually receive it. We may act on any instructions that we received from this person before the notice became effective. You assume the risk on all transactions involving a trading authorization on your account. You agree to indemnify us from all debts, costs, damages and losses, including legal costs, we may incur from a transaction involving a trading authorization on your account.

3.4 Agent or Principal: We will act as your agent for buying, selling and generally dealing in securities for you. We may also effect transactions in your Account as you may from time to time instruct us, in the securities of a related or connected issuer. In respect of your Account, you consent to the purchase or sale of securities of issuers that are related or connected to RBC Direct Investing. For further information on related and connected issuers please refer to Part G “Relationship Disclosure” of the Disclosure Documents and the following website: www.rbc.com/issuers-disclosures.

At times we may also act as principal meaning that we may buy or sell to you from our own account or the account of a related entity.

3.5 Your Information: You confirm that the information you provide to us on your RBC Direct Investing account opening forms and all other information you provide to us verbally, in writing, electronically, by an Automated Service or any other means is true and complete. This includes your telephone number and any information related to any transaction. You agree to notify us, in writing, of any material change in your financial affairs or if you or your spouse acquire a controlling interest in, or otherwise become, an insider of any reporting issuer or if you become or cease to be a partner, director, officer or employee of a member of IIROC or a relative of such partner, director, officer or employee living in the same household. You also agree to notify us of any change in address, employment or marital status. You warrant that any securities delivered to us by you or on your behalf are free of any encumbrances including constructive liens or hypothecs.

3.6 Trading Rules: All Account transactions are subject to Regulations, including without limitation the rules of IIROC. If a transaction is carried out on an exchange or market, the constitution, by-laws, rules, regulations, customs and usages of that exchange or market and its clearing house apply. If the trade is not carried out on an exchange or market, the rules, usages and customs that brokers use for similar trades, including settlement procedures, will apply.

You agree and understand that if a security you hold in your Account with us is or becomes subject to a Cease Trade Order issued by any provincial securities regulatory authority, we may, in our sole discretion, prohibit all trade orders on that security until such time that the Cease Trade Order is revoked or varied.

3.7 Trading in Securities: You will pay for all securities on the settlement date or on any other day we may set. We will credit to your Account any dividends, interest, other money received for your securities and the proceeds from a sale or disposition, after deducting any charges.

We may register ownership of your securities in a nominee account held by us or our agent. In this case, we will credit any dividends, interest

and sale proceeds to the nominee account and then transfer them to your Account.

We keep a record of all receipts, deliveries of securities and Account positions.

3.8 Statements, Confirmations and Notices: Your Account number will appear on all statements, confirmations and tax receipts we send to you. Statements, confirmations, notices, documents, information and any other communications that we send to you pursuant to securities legislation or otherwise (collectively, "Documents") we send to you by prepaid first class mail are deemed to be given and received on the fifth business day after we mail them.

Any Documents we give to you in person, by fax or electronically, including through an Automated Service, are deemed to be given and received on the day we send them and not on the day you actually review them.

Trade confirmations will generally be provided to you on the first business day after the trade is executed or contracted to the Account as applicable, or as soon as practicable thereafter. Depending on the level of activity in your Account we will send you a statement of your Account either monthly or quarterly. We will assume your statements are complete and accurate, unless you tell us otherwise within 30 days of the date printed on them or the day we deem you to have received them, whichever is earlier.

We will assume any Documents (other than statements) we send you in writing, by telephone, personal computer system, or any other electronic or telecommunication device, including through an Automated Service, are complete and accurate, unless you tell us otherwise within five days of receiving them.

3.9 Share Certificates: When we register ownership of your securities or certificates in a nominee account, we do not have to deliver to you securities or certificates that we receive or are deposited with us when we buy securities for you. We may deliver the same kind of securities or certificates for the same amount to you instead.

You can choose to have certificates (subject to availability from the transfer agent) for your securities registered in your name and hold them for safekeeping in another location. If you want to sell any of these securities, you must sign the certificates and deliver them to us, in negotiable (transferable by endorsement or delivery) form, on or before the trade request date.

If you do not deliver the certificates on time, or do not properly sign the certificates, we may try to borrow or buy a similar kind and amount of securities and deliver them to the buyer instead. You must pay any loss or expense we incur in doing so.

3.10 Credit Balance: Any cash you hold in your Account is your "credit balance". This cash is payable to you on demand. It is not segregated, or treated as trust funds, and represents our indebtedness to you. This means we may use such credit balances for our business. You acknowledge that the relationship between you and RBC Direct Investing is one of debtor and creditor only.

3.11 Securities with no Value: If a security in your non-registered account has had a value that is indeterminate or zero for a period of 18 months or more, we may, in our sole discretion and without notice to you, transfer such security out of your account and into a control account maintained for RBC Direct Investing. If you provide evidence to us, satisfactory to us in our sole discretion, of your ownership of such a security transferred out of your account, then RBC Direct Investing will either, in our sole discretion, transfer the security back to your Account

or otherwise pay to your Account a sum equal to the value of the security.

PART 4 – FEES, COMMISSIONS AND CHARGES

4.1 Administrative fees: We will deduct from your Account any applicable administrative fees, costs, charges, commissions and transaction charges for operating your Account and placing trades for you (collectively, "Administrative Fees"), including any applicable charges for using an Automated Service, registered account trustee and administrator fees, interest or financing charges on cash and securities positions, exchange fees, electronic fund transfer fees and wire transfer fees.

If you are a client of another RBC Company, you may qualify for a fee waiver or preferred pricing. Accordingly, the other RBC Company will periodically confirm your eligibility with RBC Direct Investing.

4.2 Commissions: We will deduct from your Account all commissions and transaction charges applicable to your Account (collectively, "Commissions"). Additional Taxes may be applicable. Commissions will be charged at our customary rates in place from time to time.

4.3 Additional Commissions: Commissions for most fixed income securities including, but not limited to, treasury bills, bonds, strip bonds, non-exchange listed debentures, investment certificates, money market instruments or other similar securities may, at our discretion, be included in the purchase or sale price of such securities.

4.4 Third Party Compensation: We may receive commissions or other compensation from third parties, including, without limitation, with respect to the sale of securities of a mutual fund, newly issued securities, limited partnership units, tax shelter securities, Canada and provincial savings bonds, guaranteed investment certificates and farm credit notes. Specifically, in the case of a mutual fund, a mutual fund manager may deduct management expenses from fund performance, and from these collected management expenses, the mutual fund manager may pay to RBC Direct Investing certain fees and charges including trailing fees.

4.5 Interest: We will deduct from your Account any interest you owe us. Our rate of interest will be the rate shown on your monthly or quarterly statement. We may change the interest rate at any time. We do not pay interest on credit balances below certain amounts. Our current interest rates and the minimum credit balance required to earn interest are available upon request or on our website at www.rbcdirectinvesting.com. Interest is charged and calculated separately for each currency that you hold in your account.

4.6 Foreign Exchange: We perform foreign currency transactions based on a direct or indirect request by you. An indirect request is where you have requested a trade in securities or have received certain entitlements (including dividends, interest, etc.) from an issuer of securities denominated in a currency other than the currency of your account. The foreign currency conversion rate that appears on your trade confirmation and account statement includes our spread-based revenue for performing this function. Spread is the difference between the rate we obtain and the rate you receive. The foreign currency conversion rate and our spread will depend on market fluctuation as well as the amount, date and type of foreign currency transaction. Foreign currency conversions take place at such rates as are available to our retail clients for currency conversions of a similar amount, date and type. In performing foreign currency transactions we may act as agent or principal. We may, at our discretion, reject a foreign currency transaction request. We convert foreign currencies into Canadian

dollars, U.S. dollars or other currencies (if available) on the day we carry out your transaction. We may use a different day for:

- Mutual fund transactions
- Transactions that you and we agree on
- Other transactions we deem necessary.

4.7 Payment of Interest and Spread to Affiliates: When we deduct interest from your Account, including interest accrued on margin in your Account, or earn a spread on a foreign exchange or fixed income transaction performed for your Account, we may pay a portion of such amount to an affiliate of RBC Direct Investing, including another RBC Company.

PART 5 – DISCLOSURES

5.1 Investor Protection: We are a member of the CIPF. CIPF protects your Account within certain limits. These limits are described in the CIPF brochure which is included in this Booklet and is also available from RBC Direct Investing upon request. None of the Canada Deposit Insurance Corporation, the Quebec Deposit Insurance Board or any other government deposit insurer insures any cash or securities held in your account. Neither RBC nor Royal Trust guarantees any securities we sell, unless we tell you otherwise. The value of the securities in your Account can change.

5.2 Corporate Information: We are a separate legal entity that is affiliated with a number of companies that are a part of the RBC group of companies including, without limitation, the following: Royal Bank of Canada, RBC Dominion Securities Inc., Royal Mutual Funds Inc., RBC Global Asset Management Inc., RBC Phillips, Hager & North Investment Counsel Inc., RBC Private Counsel (USA) Inc., Phillips, Hager & North Investment Management Ltd., Phillips, Hager & North Investment Funds Ltd., BonaVista Asset Management Inc., BlueBay Asset Management Ltd, Royal Trust Corporation of Canada and The Royal Trust Company.

5.3 Order Routing and Receipt of Payment for Order flow: RBC Direct Investing may from time to time establish order routing arrangements with certain exchanges, broker-dealers and/ or other market centers (collectively, “market centers”) in equity securities and options traded outside of Canada. These arrangements have been entered into with a view toward the perceived execution quality provided by these market centers, evaluated on the basis of price improvement performance, liquidity enhancement and speed of execution. RBC Direct Investing regularly assesses the execution performance of the market centers to which it routes order flow, as well as that of competing market centers.

All client orders that are subject to these order routing arrangements are sent to market centers that are subject to the principles of best execution. Each of these market centers provides the opportunity for execution of these orders at prices better than the “national best bid and offer” (as defined under the securities laws of the United States) when the spread between the best bid and best offer price is greater than the minimum variation. Several of these market participants offer RBC Direct Investing automated routing and execution services that provide advantages to smaller client orders in terms of speed and certainty of execution. RBC Direct Investing receives payment in the form of cash, rebates and/ or credits against fees in return for routing client orders in option securities pursuant to these order routing arrangements. Any remuneration that RBC Direct Investing receives for directing orders to any market center reduces the execution costs for RBC Direct Investing

and will not accrue to your account. For both equities and options, RBC Direct Investing may benefit from its order routing arrangements by receiving favorable adjustments of trade errors from the market centers to which it routes orders. An affiliate of RBC Direct Investing acts as a market center in certain equity securities and frequently trades as principal with RBC Direct Investing client orders and stands to realize profits and losses as a result of this trading. Although no formal agreements exist, an affiliate of RBC Direct Investing may receive a disproportionately large number of orders from those market centers to which RBC Direct Investing routes client orders.

5.4 Referral Arrangement Disclosure

a. General: You may have been referred to RBC Direct Investing by RBC because of your need for investment products or services. RBC provides banking services to its clients, but it is not registered in Canada to provide investment services. RBC Direct Investing is registered as an investment dealer with the securities regulatory authorities in all Canadian provinces and territories. An employee of RBC, specifically an Investment and Retirement Planner (“IRP”), a Financial Planner (“FP”) or Private Banker may have referred you to RBC Direct Investing because of your need for investment products or services.

RBC Direct Investing has a written referral arrangement agreement with RBC. Under this referral agreement, if you purchase securities products or services from RBC Direct Investing, a referral fee will be paid by RBC Direct Investing to RBC for referring you.

b. Referral Fees: If you have been referred to RBC Direct Investing by an RBC employee then the following referral arrangement applies.

If you were referred to RBC Direct Investing by an RBC IRP, RBC Direct Investing will pay RBC a referral fee, provided that you have a minimum balance of \$15,000 in investable assets, of the greater of \$75 or 35 basis points on your account assets up to a maximum of \$3,000.

If you were referred to RBC Direct Investing by an RBC FP, RBC Direct Investing will pay RBC, provided that you have a minimum balance of \$15,000 in investable assets, of 12.5 basis points on your account assets up to a maximum of \$15,000.

If you were referred to RBC Direct Investing by an RBC Private Banker, RBC Direct Investing will pay RBC, provided that you have a minimum of \$50,000 in external assets only, of the greater of \$250 or 20% of the first year revenue in connection with your account.

RBC may share a portion of any referral fee that it receives from RBC Direct Investing with individual representatives of RBC, including the individual who referred you to RBC Direct Investing.

The payment of any referral fee will not increase the fees you pay to RBC Direct Investing for your account.

c. Conflicts of Interest: As a result of a referral arrangement, the RBC employee who refers you to RBC Direct Investing may have a conflict of interest between his or her own financial interests and your interest in being referred to an RBC Direct Investing investment services representative that will provide to you the type of investment services that you have requested. In addition, RBC has a conflict of interest between its own financial interests and your interest in being referred to RBC Direct Investing to provide you the type of investment products or services that you have requested.

RBC has policies and procedures that help identify and manage potential conflicts of interest arising from its participation in referral arrangements. Please speak with your RBC Representative if you would like more information about these policies and procedures.

You acknowledge that (a) you have read and understood the contents of this Referral Arrangement Disclosure section; (b) RBC Direct Investing is not responsible for any acts, omissions, statements, or negligence of RBC or RBC employees or officers; (c) you consented to RBC giving your contact information to RBC Direct Investing and to a representative of RBC Direct Investing contacting you by telephone, computer or mail regarding products and services; (d) RBC Direct Investing may advise RBC of the products and services provided to you; (e) all services requiring registration under securities laws will be performed by a representative of RBC Direct Investing; and (f) You are under no obligation to purchase any product or service as a result of this referral arrangement.

5.5 Introducing Broker/Carrying Broker Arrangement: RBC Direct Investing is an Introducing Broker and RBC Dominion Securities Inc. ("RBC Dominion Securities") is a Carrying Broker for us under applicable Regulations. This means that certain services are provided by RBC Dominion Securities in relation to your Account operation and pursuant to a written Introducer/Carrier Broker Agreement between RBC Direct Investing and RBC Dominion Securities. Under this arrangement, RBC Dominion Securities is responsible for certain trade execution services, clearing and settlement services, custody of cash and securities and recordkeeping services. All such services are conducted in compliance with applicable Regulations. For regulatory and exchange purposes, all trading by clients of RBC Direct Investing would be done through the Broker ID for RBC Dominion Securities.

PART 6 – CONSENTS

6.1 Mutual funds: We may effect transactions in your Account in the securities of a mutual fund or other investment product managed by RBC Global Asset Management Inc. and/or Phillips, Hager & North Investment Management Ltd. as you may, from time to time, instruct us. RBC Direct Investing, RBC Global Asset Management Inc. and Phillips, Hager & North Investment Management Ltd. are affiliated and wholly owned indirect subsidiaries of RBC.

6.2 Electronic Retention and Destruction of Documents: Account Documentation may at our discretion be retained by us electronically and the original or originals destroyed. You hereby consent, pursuant to applicable electronic commerce legislation and otherwise, to your Account Documentation being retained by us solely in electronic form and to the destruction of the original or originals. You further agree that the electronic record of your Account Documentation is admissible in any legal, administrative, regulatory, self-regulatory or other proceeding as conclusive evidence of the accuracy and completeness of its contents and your agreement to the terms and conditions contained therein in the same manner as the original or originals. In connection with the foregoing, you consent to and waive any right to object to the use, provision, acceptance, enforcement or introduction into evidence in any proceeding of any electronic copy of your Account Documentation.

6.3 Pre-Authorized Transactions: Pursuant to the PAC Agreement you authorized us to carry out PAC in accordance with your instructions. You acknowledge that we may accept instructions from you that include without limitation the amount, the frequency and the start date, which may or may not be in writing, in connection with the establishment of, or a change to, a pre-authorized transaction for your Account (including, without limitation, pre-authorized transfers of funds, pre-authorized contributions to your registered retirement account, pre-authorized mutual fund purchases or redemptions, or pre-authorized payment instructions from your registered retirement income fund) and

accordingly, you agree to waive pre-notification. In addition, you agree to the following.

a. Pre-Authorized Registered Account Contributions: In the event that you have instructed us to set up a pre-authorized contribution to your registered account using funds held in an FI Account, you acknowledge that the authorization provided by you hereunder is for the benefit of RBC Direct Investing and RBC in consideration of RBC agreeing to process one or more fund transfer debits against the FI Account in accordance with the rules of the Canadian Payments Association. In connection therewith, you agree that RBC is not required to verify that any fund transfer debits have been issued in accordance with the particulars of the instructions provided by you to RBC Direct Investing and until cancelled by you in writing to RBC Direct Investing, RBC is authorized to withdraw the contribution amount from the FI Account and credit your Account with RBC Direct Investing. Your cancellation of this pre-authorized contribution does not terminate any other contracts that exist between you and RBC Direct Investing. It is understood that any debit instructions hereunder can only be made to an FI Account held solely or jointly in your name or, if applicable, a spousal contributor, and you warrant and guarantee that all persons whose signatures are required to provide written instructions to RBC Direct Investing have done so on the account opening forms of RBC Direct Investing.

b. Pre-Authorized Mutual Fund Purchases or Redemptions: In the event that you have instructed us to establish a pre-authorized mutual fund purchase or redemption plan, with fixed-amount purchases or redemptions annually, semi-annually, quarterly, monthly, or bi-weekly, as instructed by you verbally to an investment services representative, you acknowledge, if your Account is a registered account, that funds will be taken from, or deposited to, the cash balance inside your registered account. If your Account is a non-registered account, you acknowledge that cash will be taken from, or deposited to, the bank account you instructed RBC Direct Investing and in connection therewith, you further authorize us to share your banking information with the applicable mutual fund company, if this is necessary to set up the purchase or redemption plan.

You have certain recourse rights if any debit does not comply with this agreement. For example, you have the right to receive reimbursement for any PAC that is not authorized or is not consistent with the terms set out in this section and in the PAC Agreement. To obtain more information on your recourse rights, you may contact us or visit www.cdnpay.ca.

Unless you have expressly advised us otherwise, this PAC will be considered to be for your personal use, not for the use of a business. If it is in fact intended for the use of a business, please advise us accordingly forthwith.

You may revoke your authorization at any time. To obtain a sample cancellation form, or for more information on your right to cancel a PAC Agreement, you may contact us or visit www.cdnpay.ca.

6.4 Related and Connected Issuers: In respect of your Account, you consent to the purchase or sale of securities of issuers that are related or connected to RBC Direct Investing. For an explanation of what comprises a related and/or connected issuer, as well as to view a current list of all related and connected issuers of RBC Direct Investing, please refer to Part G "Relationship Disclosure" of the Disclosure Documents and the following website: www.rbc.com/issuers-disclosures or contact an RBC Direct Investing investment services representative.

6.5 Consent to the Electronic Delivery of Documents: For the purposes of this section only, 'I' and 'me' refer to the accountholder.

I have read and understand this Consent to Electronic Delivery of Documents (this "Consent") and in the event that I do not consent to the electronic delivery of the documents listed below by RBC Direct Investing in accordance with the terms of this Consent, I will contact RBC Direct Investing at 1-800-769-2560 to instruct that document delivery should be maintained in or revert to a paper format.

For the purpose of this Consent, I understand that all documents delivered electronically hereunder will be made available or delivered through the RBC Direct Investing secure investing website (the "Homepage") or the secure online communication centre located within the Homepage (the "Message Centre"). Based on the foregoing, I understand that I must be registered to access the Homepage in order to electronically receive documents hereunder.

I further understand that the services provided hereunder by RBC Direct Investing in connection with the electronic delivery of Documents constitute an Automated Service.

a. Documents: I understand that the types of Documents covered by this Consent include any record of a transaction in my Account that RBC Direct Investing is required to send me under securities legislation, including account statements and trade confirmations (collectively, "Records") and any other document that RBC Direct Investing is required to send me under securities legislation or otherwise including, without limitation, amendments to any agreement that I entered into with RBC Direct Investing, amendments to the RBC Direct Investing Commission and Fee Schedule or the RBC Direct Investing statement of policies (collectively, "Notifications") (Records and Notifications maybe hereinafter collectively referred to as the "Documents").

b. Delivery of Documents: I understand that Records will be made available to me through the Homepage and that Notifications will be posted to the Message Centre. RBC Direct Investing will notify me that a Record is available to access on the Homepage through a message posted to the Message Centre.

c. Deemed Delivery: I acknowledge that any Document delivered to me through an Automated Service is deemed to be delivered to me on the day that the Document is made available through the Homepage or posted to the Message Centre, as applicable, and not on the day that I actually review the Document. I agree that it is my responsibility to monitor the Homepage for Records and the Message Centre for Notifications on a regular basis but in any event, not less than once every fifteen days. I understand and agree that RBC Direct Investing is not responsible to me in any way for any damages or costs incurred by me resulting from my failure to review Records made available to the Homepage or Notifications posted to the Message Centre. Without limiting the generality of the foregoing, I acknowledge that this agreement provides that account statements and trade confirmations are deemed to be complete and accurate unless I inform RBC Direct Investing otherwise within a specified period of time and that in certain instances, I have the right under securities legislation to withdrawal from the purchase of a security offered in distribution within a specified period of time after receiving a prospectus from RBC Direct Investing. In connection with the foregoing, I understand that it is my responsibility to monitor the Homepage for Records and the Message Centre for Notifications in order to comply with the terms of this agreement or to enforce my rights under securities legislation.

d. Delivery Options: I understand that I may at any time request delivery of the Documents in paper format by contacting RBC Direct Investing. I further understand that, in the case of Records, I may

change the delivery options between electronic and standard mail delivery at anytime through the Homepage or by contacting RBC Direct Investing.

e. Document Retention: I understand that I will be able to print and/or save any Document made available through the Homepage or posted in the Message Centre, as applicable. I further understand that until such time as I close my account(s) with RBC Direct Investing, I will have access to Records made available through the Homepage for a period of 7 years and Notifications will remain posted in the Message Centre for 90 days, unless I otherwise delete them from the Message Centre.

f. Technical Requirements: I understand that Records made available to me through the Homepage will be in Adobe® Portable Document Format (PDF), which requires me to have Adobe Reader® software in order to open, save and/or print a Record. RBC Direct Investing does not own or operate, and is not responsible for, Adobe Reader® software. I understand that Notifications posted to the Message Centre will be in hypertext markup language (HTML) format.

g. Delivery Failure: I understand that RBC Direct Investing, in its sole discretion, may provide me with a paper copy of any Document through standard mail if it is of the view that a paper copy is necessary or if it is unable to deliver any Document electronically.

h. Capacity: I represent to RBC Direct Investing that I have the authority to enter into this Consent with respect to the account(s) in which this Consent pertains, which may include, without limitation, any account opened with RBC Direct Investing in my name, either individually or jointly with another person, or in my capacity as a trustee, executor, officer or any other authorized representative.

i. Amendments: I understand that RBC Direct Investing may change the terms of this Consent at any time by giving me thirty (30) days advance notice and that any such notice may be in the form of a Notification posted to the Message Centre or delivered to me through standard mail.

j. Other Agreements: This Consent applies in addition to any other agreement I entered into with RBC Direct Investing. I understand that by taking no further action, I am acknowledging that I have read, understood and agree to be bound by the terms of this Consent. I understand that by contacting RBC Direct Investing to request delivery of the Documents in paper format, I will continue to receive paper copies of the Documents through standard mail. I understand that I can print a copy of this Consent at this time for my files and that a copy of this Consent, as amended from time to time, is available at anytime on the Homepage.

PART 7 – LIABILITY AND INDEBTEDNESS

7.1 Liability: We are not liable for any losses in your account, however caused, as a result of:

- Trading in securities,
- Delays in receiving or processing transaction instructions, or
- Delays in transferring securities or account balances to a third party.

This includes any losses due to government restrictions, exchange or market rulings, suspension of trading, unusual market activity, wars, strikes or any other event beyond our control. We are not liable for any loss, expense or damage you suffer as a result of any action we take or do not take because of an error in your instructions to us or if we refuse

to execute any instruction with respect to your account. We are also not liable if we do not receive your instructions.

7.2 Indebtedness:

a. General: If you owe us money, or have a "short" position with us, we may apply the credit balance in any of your non-registered accounts against any indebtedness without giving you notice. This means we may transfer any credit or debit balances between your Account and other accounts you hold with us in order to offset any indebtedness.

The following two paragraphs create rights in our favour which are in addition to and not in substitution of any other right or security held by us and shall be interpreted in order that any part of the collateral located in any other jurisdiction than the jurisdiction governing this agreement shall be charged by a valid lien or security according to the applicable laws of such other jurisdiction.

We have a security interest in all present and future collateral. This paragraph shall not be applicable to collateral while held in registered plans.

b. Additional provisions applicable to accounts opened in Quebec: You hereby grant to us (and upon each delivery thereof) a hypothec in the amount of one million dollars, plus interest at the rate of interest described to you in your monthly or quarterly account statements, on all present and future collateral as security for all of your indebtedness and obligations, present or future, matured or contingent to you up to a maximum of one million dollars. This amount may differ pursuant to a written agreement between you and RBC Direct Investing which has been approved by an officer of RBC Direct Investing. Nevertheless, we are not obligated to grant credit to the extent of such or any other amount. This means we may treat the collateral as security for any or all of your indebtedness and obligations, present or future, matured or contingent, to us. Our nominees and us have full ownership rights over the collateral and may perform all acts of ownership with respect to the collateral to the same extent as you. This paragraph shall not be applicable to collateral while held in registered plans.

c. Debt Repayment: We may pledge or sell the collateral if you do not repay your debt or if we think it is necessary to protect ourselves. We may, without limiting the generality of the foregoing, pledge or sell the collateral at public or private sales or otherwise realize on any of the collateral for such price and on such terms as we deem best, the whole without advertisement or notice to you or other and without prior tender, demand or call of any kind upon you or others.

We will apply the proceeds of any sale of collateral in the following order:

- pay our costs and expenses related to the sale
- repay your debt to us
- transfer any remaining balance to you.

If any sale of collateral does not cover the full amount of your debt, you will remain liable to us for any deficiency remaining following our exercise of any or all of the foregoing rights. You agree that the rights we are entitled to exercise pursuant to this section are reasonable and necessary for our protection having regard to the nature of securities markets, including in particular, their volatility. If we choose to grant any indulgence or not to exercise our rights over the collateral, we do not in any way limit, reduce or discharge any indebtedness or part thereof. If we think it is necessary, we may also grant a security interest in any of your securities to any third party. The value of these securities may be

more or less than the amount you owe us. This paragraph shall not be applicable to collateral while held in registered plans.

d. Securities Lending: If your securities are not fully paid for or are not excess margin securities we may lend any of your securities to any third party on terms we think are best. We may also use any of your securities to deliver against any other sale of securities we make, including a short sale. We may do so for a sale for your Account or another client's account.

Nothing in this section shall relieve us from any of our obligations under this agreement, including the obligation to deliver your securities to you pursuant to the terms of this agreement.

e. Third Party Fees: You will reimburse us for any reasonable legal or third party fees we incur from collecting money that you owe us.

f. Short Positions: If you have a short position with us, and if on or before any settlement date you fail to provide to us any required securities or certificates in acceptable delivery form, then in addition to any other right or remedy to which we are entitled, we may at any time and from time to time without notice or demand to you purchase or borrow any securities necessary to cover such short sales or any other sales made on the your behalf in respect of which delivery of certificates in any acceptable delivery form has not been made, and you acknowledge and agree that if demand is made or notice given to you by us, such demand or notice shall not constitute a waiver of any of our rights to act hereunder without demand or notice.

PART 8 – JOINT ACCOUNTS

8.1 Applicability: This part applies if your Account is opened with more than one accountholder.

8.2 Rights of Survivorship: For joint accounts opened outside of Quebec with rights of survivorship, the deceased accountholder's share of the Account will pass automatically to the surviving accountholder(s) once you give us notice in writing of the death. The surviving accountholder(s) and the estate of the deceased accountholder will be jointly and severally liable for all of the account's debts and liabilities. The terms of this agreement will apply.

8.3 Joint Accounts Opened in Quebec: For accounts opened in Quebec, the Civil Code of Quebec and other laws will apply if one of the accountholders dies.

8.4 Joint and Several Liability: Each accountholder is jointly and severally (in Quebec, solidarily) liable for all of the account's debts, obligations and liabilities.

8.5 Instructions: We may accept instructions for the Account from any of the accountholders without notifying any of the other accountholders. This means we may buy and sell securities and transfer securities, money or property to any accountholder or third party, including paying any Account proceeds to any accountholder or third party, without giving notice to other accountholders.

We may deliver securities, money and Account property and send statements, confirmations, notices and other communications to any of the accountholders without notifying the other accountholders. We will use the most recent address we have on file for that accountholder.

8.6 Death: If one of the accountholders dies, the surviving accountholders must immediately notify us in writing and provide us with evidence of the death that is acceptable to us. Until we receive this notice, we may carry out orders and treat the Account as though all

accountholders were living. Before or after we receive this notice, we may:

- ask the surviving accountholders for certain documents
- restrict trading on your account
- take other steps we think are necessary.

8.7 Access to Account Documentation: You will have access to all Account Documentation and you agree to access to all Account Documentation being provided to all other accountholders of the Account.

PART 9 – PROTECTING YOUR PRIVACY

9.1 Required Consent

a. Collection of Your Personal Information: We are required to collect the following personal, financial and other information in order to open and operate your Account, to provide you with the services you request, and to fulfill our legal, regulatory and self-regulatory obligations in Canada and in some cases, abroad, and, if necessary, to protect or enforce our rights under this agreement. This information includes, without limitation:

- information required to establish your identity (e.g., name, date of birth, citizenship, etc.);
- information required to establish your financial situation (e.g., income, marital status, dependents, etc.) and your personal background;
- information you provide on an application for any of our products and services; and
- information for the provision of products and services. We may collect and confirm this information during the course of our relationship

We may obtain this information from a variety of sources, including from you, from service arrangements you make with or through us, from credit reporting agencies and other financial institutions, from registries, from references you provide to us, from other investment dealers, from other financial institutions, and from other sources, as is necessary for the provision of our products and services to you.

You acknowledge receipt of notice that from time to time reports about you may be obtained by us from credit reporting agencies.

b. Collection of Online Information: We may collect your online activity information in public and secure websites of any RBC Company and in RBC Company advertisements hosted on Third Party websites, using cookies and other tracking technology. Your online activity information may be used together with other information we have about you to assess the effectiveness of online promotions, to gather data about website functionality, to understand your interests and needs, to provide you with a customized online experience and to communicate to you information about products and services that may be of interest to you. The consent in this section will not change any other consent or preferences you have given or may give regarding the collection, use and disclosure of your personal information. To request that your online activity information not be collected and used for the purposes noted in this section, please feel free to contact an RBC Direct Investing investment services representative at 1-800-769-2560. For more details

please see our online Privacy Policy by visiting our website at www.rbcdirectinvesting.com and selecting the “Privacy” link.

c. Use of Your Personal Information: Your information may be used by us for the purposes of opening and operating your Account and to provide you with services you request. We may also use your information in any other manner that is required or permitted by law or under the rules of any self-regulatory authority in which we are a member. For greater certainty, the following are additional examples of the manner in which we may need to use your information:

- to verify your identity and investigate your personal background;
- to better understand your current and future investment needs and your financial situation;
- to determine your eligibility for the products and services that we offer;
- to help us better understand the current and future needs of our clients;
- to communicate to you any benefit, feature and other information about the products and services you have with us;
- to help us better manage our business and your relationship with us;
- to maintain the accuracy and integrity of information held by a credit reporting agency;
- to protect or enforce our rights under this agreement or to comply with applicable law or the rules of any self-regulatory authority in which we are a member; and
- as required or permitted by law.

Also, for regulatory purposes, SROs may require access to personal information of current and former clients, employees, agents, directors, officers, partners and others that has been collected or used by us. SROs collect, use or disclose such personal information obtained from us for regulatory purposes, including:

- Surveillance of trading-related activity;
- Sales, financial compliance, trade desk review and other regulatory audits;
- Investigation of potential regulatory and statutory violations;
- Regulatory databases;
- Enforcement or disciplinary proceedings;
- Reporting to securities regulators; and
- Information sharing with securities regulatory authorities, regulated marketplaces, other self regulatory organizations and law enforcement agencies in any jurisdiction in connection with any of the foregoing.

If we have your SIN, we may use it for tax reporting purposes in order to comply with income reporting requirements of the appropriate government agencies. Also, we may share your SIN with credit reporting agencies and use your SIN as an aid to identify you in order to ensure an accurate match between your information and your credit bureau information, and to keep your information separate from that of other clients with a similar name. If we do not have your SIN, the matching

process may be less accurate and we may have to ask you again for your SIN in order to properly review your application. If you choose not to provide us with your SIN for this purpose, this does not on its own prevent you from obtaining credit but it may mean that it will take longer to review your application.

d. Disclosure of Your Personal Information: For the purposes described above, we may disclose your information to other financial institutions and our employees, agents and service providers, who are required to maintain the confidentiality of your information, except in limited circumstances where a service provider (such as a collection agency) may share your information with a credit reporting agency who may share it with others. We may also disclose your information to government, regulatory authorities or SROs as required by any domestic or foreign law or as required or permitted under the by-laws, rules, regulations and notices of any regulatory authority or SRO of which we are a member or as otherwise permitted by law. Such reporting of your information (including trading related activity) to the foregoing authorities and SROs may be made at our discretion without notice, acting reasonably, even in the absence of a specific request or a legal or regulatory requirement to do so. In the event any of our service providers are located outside of Canada, the service provider is bound by, and the information may be disclosed in accordance with, the laws of the jurisdiction in which the service provider is located. We may also use your information and share it with any other RBC Company in order to:

- manage our risks and operations and those of any other RBC Company,
- comply with valid requests for information about you from regulators, self-regulatory authorities and other persons who have a right to issue such requests, and
- to let any other RBC Company know your choices under “Other Uses of Your Personal Information” for the sole purpose of honouring your choices. Upon your request, we may give this information to other persons.

9.2 Optional Consent

We may use your information to promote our products and services, and promote products and services of third parties we select, which may be of interest to you. We may communicate with you through various channels, including telephone, computer or mail using the contact information you have provided.

We may also, where not prohibited by law, share your information with any other RBC Company for the purpose of referring you to them or promoting to you products and services which may be of interest to you. We and any other RBC Company may communicate with you through various channels, including telephone, computer or mail using the contact information you have provided. You acknowledge that as a result of such sharing they may advise us of those products or services provided.

If you also deal with any other RBC Company, we may, where not prohibited by law, consolidate your information with information they have about you to allow us and any of them to manage your relationship with an RBC Company and our business.

You may choose not to have your information shared or used for any of these “Other Uses” by contacting us as set out below, and in this event, you will not be refused credit or other services just for that reason. We will respect your choices and, as mentioned above, we may share your

choices with any other RBC Company for the sole purpose of honouring your choices regarding “Other Uses of Your Personal Information”.

9.3 Access to Your Personal Information

You may obtain access to the information we hold about you at any time and review its content and accuracy, and have it amended as appropriate; however, access may be restricted as permitted or required by law. To request access to such information, to ask questions about our privacy policies or to request that your information not be used for any or all of the purposes outlined under the heading “Other Uses of Your Personal Information”, you may do so now or at any time in the future by contacting an RBC Direct Investing investment service representative at 1-800-769-2560.

9.4 Our Privacy Policies

You may obtain more information about our privacy policies by asking for a copy of our “Financial fraud prevention and privacy protection” brochure, by calling us at the toll free number shown above or by visiting our web site at www.rbc.com/privacysecurity.

PART 10 – SHAREHOLDER COMMUNICATIONS

10.1 General: Under Canadian securities laws, you are entitled to receive a copy of all security holder materials issued by or in respect of Canadian public issuers whose securities you hold in your Account with us. The following is a description of how you can receive or refuse to receive these materials.

This description exclusively applies to issuers of securities that are governed only by Canadian provincial securities laws. It does NOT apply to issuers of securities that are governed by the laws of the United States or other countries. Accordingly, even if you indicate to us that you do not wish to receive security holder materials, RBC Direct Investing Inc. may be required to send security holder materials of non-Canadian issuers to you.

The securities held in your Account with us are not registered in your name but are held in “Street Name”. Registration of securities in this manner means that, even though you are the beneficial owner of these securities, the issuers of the securities held in your Account do not know your identity or details of your securities holdings. We are required under securities law to obtain your instructions concerning various matters relating to the securities you may hold in your account.

10.2 Disclosure of Beneficial Ownership Information: Canadian provincial securities laws permit Canadian reporting issuers of the securities held in your account, as well as other persons and companies, to send materials related to the affairs of the issuer directly to you if you do not object to having your identifying information disclosed to the issuer or other persons and companies.

Part 1 of the “Shareholder Communication Instructions Form” (in this part, the “Form”) included in your account opening forms allows you to tell us if you object or do not object to our disclosure, to the issuer or other persons or companies, of your beneficial ownership information, consisting of your name, address, electronic mail address, securities holdings and preferred language of communication. Securities legislation restricts the use of your beneficial ownership information to matters relating to the affairs of the reporting issuer.

If you **DO NOT OBJECT** to the disclosure of your beneficial ownership information, please mark the first box on Part 1 of the Form. In those circumstances, you will not be charged with any costs associated with sending security holder materials to you.

If you **OBJECT** to the disclosure of your beneficial ownership information by us, please mark the second box in Part 1 of the Form. If you do this, all materials to be delivered to you as a beneficial owner of securities will be delivered by us. If you object to the disclosure of your beneficial ownership information by us, you will not receive security holder materials if the Canadian reporting issuer or other third party initiating the mailing refuses to pay the cost of delivery unless you agree to pay for the cost of delivery by marking the first box in Part 3 of the Form.

10.3 Receiving Securityholder Materials: You have the right to receive proxy-related materials sent by Canadian reporting issuers to registered holders of their securities in connection with meetings of such security holders. Among other things, this permits you to receive the necessary information to allow you to have your securities voted in accordance with your instructions at a security holder meeting. In addition, Canadian reporting issuers may choose to send other security holder materials to beneficial owners, although they are not obliged to do so. Securities law permits you to decline to receive security holder materials. The three types of material that you may decline to receive are:

- proxy-related materials, including annual reports and financial statements, that are sent in connection with a security holder meeting;
- annual reports and financial statements that are not part of proxy-related materials; and
- materials that a reporting issuer or other person or company sends to security holders that are not required by corporate or securities law to be sent to registered holders. Part 2 of the "Shareholder Communication Instructions" allows you to receive all materials sent to beneficial owners of securities, to decline to receive the three types of materials referred to above, or to receive only proxy-related materials that are sent in connection with a special meeting.

If you want to receive **ALL** materials that are sent to beneficial owners of securities, please mark the first box on Part 2 of the Form. If you want to receive **ONLY** proxy-related materials that are sent in connection with a special meeting, please mark the second box in Part 2 of the Form. If you want to **DECLINE** to receive the three types of materials referred to above, please mark the third box in Part 2 of the Form.

Please Note: If you mark the "**I OBJECT**" box in Part 1 of the Form, Canadian reporting issuers and other parties initiating a shareholder mailing may, but are not required to, bear the costs associated with the sending of security holder material to you. (Even if you **DECLINE** to receive the materials described in Part 2 of the Form; this only applies to certain types of material). As a result, **UNLESS** you also mark the "**I WISH TO PAY**" box in Part 3 of the Form, you will not receive any materials for which the Canadian reporting issuer or other party initiating the mailing has refused to cover the cost of delivery. **EVEN IF YOU DECLINE** to receive the three types of materials referred to above, a reporting issuer or other person or company is entitled to deliver these materials to you, provided that the reporting issuer or other person or company pays all costs associated with the sending of these materials. If you have objected to disclosure of your beneficial ownership information to reporting issuers on Part 1 of the Form, these materials will be delivered to you by RBC Direct Investing Inc., not by the reporting issuer.

10.4 Preferred Language of Communication: You will receive materials in the preferred language of communication (English or

French) you selected when you opened your Account if the issuer makes these materials available in that language.

PART 11 – AUTOMATED SERVICES

11.1 General: By using any of our Automated Services described in this section, you agree to the terms set out below:

- that the terms in this Part are in addition to and are not a substitute for the rest of this agreement
- that if there is a conflict between the terms of this Part and the rest of the agreement, the terms in this Part will prevail.

The terms, rules, procedures, fees and charges set out in any written or computer-generated instructions, software, manuals, fee schedules or other documents relating to our Automated Services form part of this agreement.

Not all of the same functionality or features may be accessible or available for all accounts, services or Automated Services or at all times.

11.2 Passwords: Your password is the password or passwords you have chosen or we have provided to you. Your password lets you access your Account, enter order requests, get quotations and receive information through our Automated Services.

You agree to keep your password confidential and separate from your Account number and any other information or documents relating to your Account. You are responsible for any charges or losses resulting from the use of your password, maintaining the security of your password and making sure that only you use it.

We are not responsible for any unauthorized use of an Automated Service by any other person.

11.3 Software (if provided): The software, including the technology, information and related documents, we may provide for you to use or to use with the Automated Services belongs to us. You may use this software only for your own benefit and must take all reasonable measures to make sure that no unauthorized person has access to it. You will return it to us promptly if we ask you to including if we end this agreement or our Automated Services.

You agree to the terms of any software licence agreement provided to you with the software. You may not make any changes, reverse engineer, disclose, lease, loan, duplicate or otherwise reproduce the software without the consent, in writing, of an officer of RBC Direct Investing.

We reserve the right to support only the most current release of any computer software or related documents we provide to you relating to the use of any of our Automated Services. If you do not accept any software upgrades we provide to you, we may cancel any or all of your Automated Services without giving you notice. We, or our affiliates, are not responsible for the use or performance of any software we may provide.

If you download the software:

We grant to you a non-exclusive and non-transferable license for the software. The license authorizes you to use the software in object code format for the purpose of using Mobile Services and/or accessing any services, features, functionality, content and/or information made available by us using certain mobile devices.

We retain at all times all ownership rights, including without limitation, copyright, in the software. You agree not to copy the software and not to disclose or distribute the software to third parties. We have no obligation to provide any training, maintenance, or other assistance for the software.

YOU ACCEPT THE SOFTWARE "AS IS" AND ASSUME THE ENTIRE RISK FOR THE PERFORMANCE OF THE SOFTWARE. WE WILL NOT BE LIABLE TO YOU FOR ANY DAMAGES RESULTING FROM YOUR USE OF THE SOFTWARE, UNDER THIS AGREEMENT OR OTHERWISE.

We may end the terms relating to the software in this section at any time on notice to you. On the ending of these terms, you will destroy or return to us all copies of the software and all related documentation that is in your possession. The grant of the license in this section may not be assigned by you unless agreed upon in writing by us.

11.4 Accessing Your Services: You may not enter restricted areas of any of our computer or telecommunications systems or of any of our affiliates or perform any functions that are not authorized under this Agreement. We may suspend or cancel your access to an Automated Service without giving you notice if we believe that you are using it to gain unauthorized access to systems or information, are using it inappropriately or if there is unusual activity in or relating to your account. We may restore your access after we review the situation.

11.5 Mobile Services:

If you use Mobile Services:

- You must be enrolled in Automated Services in order to use Mobile Services;
- You will not have access to all of the same services, features, functionality, content or information (including your Message Centre, notices, legal and privacy terms, links, statements, and complete Information) as you do through other Automated Services and you must use an Automated Service other than Mobile Services on a regular basis to access such services, features, functionality, content and information;
- There may be important terms and conditions that are displayed only when you click on information icons or links within Mobile Services. You must access and read those terms and conditions, and by using Mobile Services those terms and conditions apply to your use of Mobile Services, in addition to the terms and conditions of any applicable agreements; and
- Mobile Services may not be available for use in locations outside of Canada and the United States.

11.6 Order Requests (if available): You authorize us to act on all instructions from you or given for you, for all order requests placed for your Account through any Automated Service. This includes instructions purporting to be from you.

You are responsible for making sure that:

- we receive your order request
- any instructions given for your Account or related to an Automated Service are accurate
- You agree to accept responsibility for any loss caused as a result of, or in connection with, an order request transmitted through an Automated Service by you. We will verify all orders. We may require you to confirm the order request prior to our processing it. We may maintain a database or use another method to keep a record of all your instructions using the Automated Services.

11.7 Using Information: The information we provide through our Automated Services:

- has been independently obtained from information providers through sources we believe are reliable
- belongs to the information providers. You may use the information only for your own benefit. You may not reproduce, sell, distribute, circulate or commercially exploit it in any way or provide it to any other person without our consent in writing or the consent of the information providers, if needed
- the information may include views, opinions and recommendations of individuals or organizations that may be of interest to investors generally.

The information providers and we do not:

- endorse any of these views or opinions
- give investment, tax, accounting or legal advice
- recommend buying or selling any security
- guarantee that this information is accurate, complete, timely or in the correct order.

11.8 Services Modifications and Interruptions: We may modify any or all of our Automated Services without giving notice to you. Any of our Automated Services may periodically be unavailable because of maintenance, updates or other reasonable causes, including during periods of increased market activity.

11.9 Liability: In no event will we, or our affiliates, be liable to you or others for any damages, direct, indirect, consequential or special, including, without limitation, all losses, costs, expenses, loss of profits, loss of business revenue or failure to realize expected savings arising from or out of the existence, furnishing, or functioning of Automated Services, or any act or omission in connect with your accessing Automated Services.

We are not liable by reason of acting or failing to act due to an error in an order request actually received by us, or as a result of an order request not being received by us. We, or our affiliates, are not responsible for any losses, damages or personal injury that any person suffers as a result of:

- your accessing Automated Services
- the use or performance of any software we provide.

The information providers and we are not liable:

- to you or any other person for the accuracy, completeness, timeliness or correct order of the information
- for any decision you make or action you take by relying on any of the information or our Automated Services
- for any interruption of any data, information or other aspect of the Automated Services as a result of any negligent act, omission including without limitation communications or power failure, equipment or software malfunction or other cause beyond the reasonable control of the information provider or us.

11.10 Ending Automated Services: You can cancel an Automated Service by giving us 30 days notice in writing. We may cancel your Automated Services without giving you notice.

11.11 Survival of Certain Terms: When this agreement ends, any Automated Services provided to you will also end. Your obligations, representations and acknowledgements concerning the following sections in this Part shall survive the termination of this agreement:

"Passwords", "Accessing Your services", "Using information", and "Software (if provided)".

11.12 Account Aggregation: If you are also an RBC Online Banking client and you provide us with your RBC UserID (please note that this is different from your confidential RBC password), you will be provided with RBC's account aggregation feature (the "Aggregation Service") that allows you to view your Account balance information regarding your accounts with us in RBC's Online Banking service. This account aggregation feature is provided to you by RBC in accordance with the "Electronic Access Agreement" that you entered into with RBC. This account aggregation feature is not mandatory and in the event that you do not want to receive this feature in connection with your accounts with us, you are not required to provide us with your RBC User ID.

11.13 Message Centres: If you use the Aggregation Service in connection with other account providers within the RBC group of companies, we may connect your online message centres. This means that we may provide you with access to the online message centres of such companies in the RBC Direct Investing secure online site, and that such companies will provide you with access to your RBC Direct Investing Message Centre in their online services.

PART 12 – GENERAL TERMS

12.1 Amendments: We may change any term of this agreement by giving you at least 30 days notice in writing. Where authorized to do so, we may notify you through an Automated Service. You may not change any of the terms of this agreement without the approval in writing of an officer of RBC Direct Investing. We will assume that you agree with the change if you continue to use your Account or service or to hold funds or securities in your Account once the change is effective. If any rules or regulations that apply to this agreement change, we will assume that the terms of the agreement that are affected by this change are changed accordingly.

12.2 Termination: This agreement will end and your Account will be closed when you give us 30 days notice in writing, or we end it by giving you notice in writing. At the time of the termination of this agreement or upon the closure of your Account, all outstanding Administrative Fees and other applicable fees, charges and commissions will be immediately due and payable by you. If you have not provided us with proper instructions with respect to the removal or transfer of all the securities and/or cash in your account within thirty days from receipt of notice by you of the closure of your Account, we will have the right but not the obligation to send to you at your last known address the cash balance in your Account and the securities or, at our discretion, to sell any or all securities and deliver to you the cash proceeds from the sale of those securities, in each case less any outstanding Administrative Fees and any other applicable fees, charges and commissions. If your Account is a registered account and you have not provided us such instructions, then in addition to the foregoing we will have the right but not the obligation to deregister or instruct the trustee to deregister any securities and cash, to withhold applicable Taxes and outstanding Administrative Fees and other applicable fees, charges and commissions and you acknowledge that we will not be liable to you for any losses, Taxes or change in your tax status of that of any assets held by you or on your behalf as a result of our actions.

12.3 Account Closing: If your Account is inactive or does not contain any assets or balance for a period of 18 months or more, we may, in our sole discretion and without notice to you, close your Account and terminate this agreement.

12.4 Capacity: If a corporation, trust, partnership, investment club or other legal entity opens the account, it hereby confirms that:

- it has the right and ability to enter into this agreement and carry out the transactions described in it
- the execution and delivery of this agreement have been properly authorized.

If you are an individual, you hereby confirm that you have the legal capacity to enter into this agreement and have reached the age of majority.

If you are a married woman, you represent that you are married under the regime of separation as to property under the laws of Quebec. If you cannot make such representation then your husband must also sign this agreement and your account opening forms.

12.5 Death or Incapacity: Subject to the terms governing a joint account, upon reviewing notice of your death or incapacity we will cease to accept instructions provided in accordance with this agreement for your Account and shall not dispose of any securities in the Account until we receive instructions from a representative of your estate or other court appointed or otherwise recognized representative. We reserve the right to refuse to act upon any instructions of such a representative without being provided with letters of administration, letters probate, notarial will or any other document or evidence of, or in connection with, the authorization or transmission as we may deem necessary. We may continue to debit your Account in respect of any applicable Administrative Fees or other applicable fees, charges or commissions payable to us under this agreement without prior notice to, or demand upon, your successors.

12.6 Waiver: Terms of this agreement can only be waived by us by the approval in writing of an officer of RBC Direct Investing.

If this agreement allows us to take alternative courses of action, we may choose to take any, none or all of them. Any action we take or decide not to take will not be considered a waiver of any terms and will not affect our rights, remedies, or powers under this agreement.

12.7 Assignment: You cannot assign this agreement to any other party without our consent in writing. This agreement binds you as well as your heirs, executors, administrators, successors and any party to whom this agreement has been properly assigned. If we merge or amalgamate with another company or companies, or if another company takes over our retail brokerage business, the new company will take over our rights and duties under this agreement.

12.8 Severability: If any term of this agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provisions and everything else in this agreement shall continue in full force and effect.

12.9 Language: You and RBC Direct Investing have expressly requested that this agreement and any other documents relating to it be in English. Vous et RBC Placements en Direct avons expressément demandé que ce contrat et tout documenty afférent, y compris tout avis, soient rédigés en langue anglaise.

12.10 Entire Agreement: The terms in this agreement constitute the entire agreement with respect to your Account and supersede any oral and other written agreements. In the event of any conflict between the terms and conditions of this agreement and terms of any other Account Documentation, the terms and conditions of this agreement shall prevail.

12.11 Governing Law: This agreement shall be interpreted in accordance with the laws of the jurisdiction in which your Account is maintained.

PART 13 – PERSONAL GUARANTEE OF CORPORATE INDEBTEDNESS

13.1 Defined Terms: All terms not otherwise defined in this part have the meaning ascribed thereto in the section entitled "Personal Guarantee of Corporate Indebtedness" in our account opening forms.

13.2 Continuing Guarantee: The Personal Guarantee is a continuing guarantee which covers all present and future Liabilities and the Personal Guarantee will survive any incidental, temporary or intermittent closing out, reopening or renumbering of any of the Corporation's accounts.

13.3 Payments to Us: The Guarantor will, upon any demand thereof, pay to us the amount of all of the Liabilities, or such part thereof as may have been demanded, together with interest, calculated daily, and compounded monthly, from the date of demand until payment. The interest rate shall be the interest rate designated from time to time by us to its branches as being its effective rate for determining interest on debit balances in accounts maintained with us. Any amount which we state is owing by the Corporation shall be accepted by the Guarantor as conclusive evidence that such amount is owing by the Corporation to us. We shall be entitled to make more than one demand under the Personal Guarantee and no demand shall in any way terminate or extinguish the Personal Guarantee.

13.4 Guarantor's Waiver of Notice: The Guarantor waives notice of, and any modifications to, the terms of any present or future agreement between the Corporation and us, the types of securities traded by the Corporation and the Corporation's trading pattern. The Guarantor confirms that we may deal with and accept orders for the Corporation's accounts without notice to the Guarantor. The Guarantor also waives notice of the condition of the Corporation's accounts at any time and from time to time, including notice of any failure by the Corporation to make timely payments of the Liabilities, and Guarantor waives any right to receive copies of any confirmations, statements or other communications sent by us to the Corporation.

13.5 Termination of the Personal Guarantee: The Guarantor may terminate the Personal Guarantee by sending a written notice to this effect to RBC Direct Investing. By giving such notice, the Guarantor shall not, except for any transactions executed by us within a reasonable time after receipt of such notice for the purpose of closing out positions existing at such time, be liable to us for any Liabilities arising on or after the trading day immediately following the day on which such notice is received. The Guarantor shall continue to be liable to us for any Liabilities arising from transactions executed on or before the day of receipt of such notice.

13.6 Waiver of Defences: The Guarantor's liability to us will not be limited, reduced or discharged by us in the event that we:

- grant any extension or other indulgence or any release or discharge to the Corporation or any other guarantor or surety;
- take, give up or abstain from perfecting any security or taking advantage of, exercising or otherwise dealing with any security held by us;
- accept any compositions from or otherwise deal with the Corporation or any other guarantor or surety;
- apply any monies received from the Corporation or others or from any security against the Liabilities in any manner we see fit;

- fail to exhaust our recourse against the Corporation or any other guarantor or surety at any time prior to requiring or enforcing payment from the Guarantor under the Personal Guarantee; or
- act, or fail to act, in any manner which might otherwise operate as a discharge, whether partial or absolute, of the Guarantor's obligations under the Personal Guarantee; and the Personal Guarantee shall remain in effect notwithstanding any of the foregoing. The Guarantor hereby renounces all benefits of division and discussion.

13.7 Communications to the Guarantor: Any notice or communication to the Guarantor may be given by prepaid mail, telegraph or telex to any address of record of the Guarantor with us, or may be delivered personally to the Guarantor or to any such address of record and shall be deemed to have been received, if mailed, on the second business day after mailing or, if sent by telegram or telex, on the day sent or, if delivered. Nothing in this section shall be interpreted as requiring us to give any notice to the Guarantor which is not otherwise required to be given by us.

PART 14 – ADDITIONAL TERMS APPLICABLE TO NON-CORPORATE ENTITIES

14.1 Liability of Members: In the event that your Account is opened in the name of a partnership, investment club, association or other similar organization (hereinafter referred to as the "Non-Corporate Entity"), each partner, member, associate or other authorized individuals in the case of a similar organization, as the case may be (hereinafter referred to as a "Member"), is jointly and severally liable without the benefit of divisions or discussion, for the full and timely settlement of each transaction in your account, for any debit balance in your Account and for any damages suffered by us as a result of any failure by the Members to give the notices required under this part.

14.2 Death or Withdrawal of a Member: You will forthwith notify us in writing of the death of any Member or the withdrawal of any Member from the Non-Corporate Entity. Such notice shall be sent by registered mail to an RBC Direct Investing investment services representative. Such Member or the estate of such Member shall continue to be jointly and severally liable to us for any liability arising from transactions initiated or executed on or before the day of receipt of such notice.

14.3 New Members: You will notify us in writing of the admission of any new Member to the Non-Corporate Entity. Such notice, which shall include the name and address of such new Member, shall be sent by registered mail to your Investment services representative.

14.4 Pledge of Securities: As continuing collateral security for the payment of your account, the Members hereby pledge to us all of the securities which may now or hereafter be held by us, whether held in your Account or in any other account in which any of the Member has an interest and whether or not such amounts owing related to the securities pledged.

14.5 Communications by Us: Any notice or communication to the Non-Corporate Entity by us may be delivered or sent by prepaid mail, telegraph or telex to any address of record with us or any Signing Officer or Trading Officer (as set out in the resolution you completed within our account opening forms) and shall be deemed to have been received, if delivered, when delivered, if mailed, on the second business day after mailing or, if sent by telegram or telex, on the day sent, and upon such receipt, shall be binding and effective against all of the Members.

PART 15 – ADDITIONAL TERMS FOR TRADING ON MARGIN

15.1 General: When you open a margin account to trade securities on margin, you agree to the terms set out below:

- that the terms in this Part are in addition to and are not a substitute for the rest of this agreement or any other agreement relating to margin accounts
- that if there is a conflict between the terms in this Part and the rest of the agreement or any other agreement relating to margin accounts, the terms in this Part will prevail
- to pay any charges, fees and commissions that may apply to this account
- to pay us on demand any money you owe us relating to this account
- to maintain the margin we require
- to promptly meet all margin calls
- to declare a short sale whenever you request one
- to pay any financing charges that may be applicable to a short position.

We may do the following without giving you notice:

- reduce or cancel the margin
- refuse to increase the margin
- require you to provide more margin than is required by any applicable regulatory or self-regulatory authority
- review and change our margin rates at any time without giving you notice
- sell the securities in your Account without notice to meet our margin requirements (but are under no requirement to do so)
- obtain credit reports concerning you for the purposes of determining whether you should be approved or continue to be approved for trading securities on margin.

15.2 Credit Reports: You acknowledge receipt of notice that from time to time reports about you may be obtained by us from credit reporting agencies.

15.3 Leverage Risk Disclosure: You acknowledge that you have received a copy of the Leverage Risk Disclosure included in this Booklet.

15.4 Termination of Margin: When this agreement ends, the margin service through this Account will also end.

15.5 Loan Acknowledgement: You acknowledge that securities held in your margin account that are not fully paid or are not excess margin securities may, to the extent permitted by applicable law, be loaned to us or loaned to others and we have no obligation to retain under our possession and control a like amount of securities.

15.6 Shareholder vote of Loaned Securities: In connection with any loan of securities held in your margin account you acknowledge that we or others may receive and retain certain benefits to which you will not be entitled. You further acknowledge that in certain circumstances, such loans may limit, in whole or in part, your ability to exercise voting rights of such securities lent.

PART 16 – ADDITIONAL TERMS FOR OPTIONS TRADING

16.1 Applicable By-Laws, Customs, etc.: Each transaction executed for the Account will be subject to, and the accountholder will abide by the prevailing by-laws, rules, regulations, policies and customs of applicable regulatory authorities

16.2 Settlement, Commissions and Interest: Full and timely settlement will be made of each transaction. The accountholder will pay to RBC Direct Investing commissions and other transaction charges in respect of each transaction or option exercised (including any transaction pursuant to section 8) and interest, calculated daily and compounded monthly, on outstanding indebtedness. Such commissions and other charges shall be at RBC Direct Investing's customary rates in the circumstances or as negotiated from time to time. The interest rate shall be the interest rate designed from time to time by RBC Direct Investing to its branches as being its effective rate for determining interest on debit balances. The accountholder waives notices of all changes in such rates.

16.3 Operation of the Account:

(a) RBC Direct Investing will credit to the Account any interest, dividends or other monies received in respect of Securities held in the Account and any monies (net of all charges) received as proceeds from the sale or other disposition of Securities from the Account, and will debit to the Account any amounts owing, including interest, by the accountholder to RBC Direct Investing pursuant to this agreement. RBC Direct Investing will maintain a record of receipts and deliveries of Securities and the accountholder's resulting positions in the Account.

(b) For the purpose of this Part "indebtedness" at any time means the indebtedness of the accountholder to RBC Direct Investing represented by the debit balance, if any, of the Account at the time.

16.4 Payment of Indebtedness: The accountholder will promptly pay indebtedness when due except to the extent covered by a margin facility.

16.5 Margin: RBC Direct Investing will open or maintain the Account and grant a margin facility to the accountholder provided that RBC Direct Investing may, without notice, at any time and from time to time;

(a) reduce or cancel any margin facility made available to the accountholder or refuse to grant any additional margin facility to the accountholder; or

(b) require the accountholder to provide margin in addition to the margin requirement of applicable regulatory authorities.

The accountholder acknowledges that for certain option strategies producing a credit, applicable regulatory authorities may require significant additional margin. The accountholder will provide RBC Direct Investing with any margin which is requested by RBC Direct Investing and will promptly pay any Indebtedness due as a result of any reduction or cancellation of any margin facility.

16.6. Pledge of Securities: As continuing collateral security for the payment of any Indebtedness, the accountholder hereby pledges to RBC Direct Investing all of the accountholder's Securities which may now or hereafter be held by RBC Direct Investing, whether or not such Indebtedness relates to the Securities pledged.

16.7 Use of Collateral by RBC Direct Investing: So long as any indebtedness remains unpaid, RBC Direct Investing is hereby authorized to the extent permitted by law, without notice, to use at any time and from time to time the accountholder's Securities in the conduct of RBC Direct Investing's business, including the right to:

- combine any of the accountholder's Securities with the property of RBC Direct Investing or other accountholders or both;
- pledge any of the accountholder's Securities which are held in RBC Direct Investing's possession as security for its own indebtedness;

- loan any of the accountholder's Securities to RBC Direct Investing for its own purposes; or
- use any of the accountholder's Securities for making delivery against a sale, whether a short sale or otherwise and whether such sale is for the Account or the account of any other RBC Direct Investing's accountholders.

16.8 Elimination or Reduction of Indebtedness by RBC Direct Investing if:

- the accountholder fails to pay any Indebtedness when due;
- RBC Direct Investing deems the margin held by it to be insufficient for its protection;
- on or before any settlement date the accountholder fails to provide to RBC Direct Investing any required Securities or certificates in acceptable delivery form; or
- the accountholder fails to comply with any other requirement contained in this agreement;

then, in addition to any other right or remedy to which RBC Direct Investing is entitled, RBC Direct Investing may at any time and from time to time without notice or demand to the accountholder:

- Apply monies held to the credit of the accountholder in any other account with RBC Direct Investing to eliminate or reduce Indebtedness;
- Sell, contract to sell or otherwise dispose of any or all of the Securities held by RBC Direct Investing for the accountholder and apply the net proceeds therefrom to eliminate or reduce Indebtedness;
- Purchase or borrow any Securities necessary to cover short sales or any other sales made on the accountholder's behalf in respect of which delivery or certificates in an acceptable delivery form has not been made; or
- Cancel any outstanding orders.

Such rights may be exercised separately, successively or concurrently. RBC Direct Investing shall not be required by this agreement to exercise any such rights nor shall it be required to exercise any right prior to exercising any other right. The failure to exercise any or all of such rights of the granting of any indulgence shall not in any way limit, reduce or discharge any Indebtedness or part thereof. Any such sales or purchases for the Account may be made upon any exchange or market or at a public or private sale upon such terms and in such manner as RBC Direct Investing deems advisable. If demand is made or notice given to the accountholder by RBC Direct Investing, it shall not constitute a waiver of any of RBC Direct Investing's rights to act hereunder without demand or notice. Any and all expenses (including any legal expenses) reasonably incurred by RBC Direct Investing, in connection with exercising any right pursuant to this section 16.8 may be charged to the Account. The accountholder acknowledges that the accountholder shall remain liable to RBC Direct Investing for any deficiency remaining following the exercising by RBC Direct Investing of any or all of the foregoing rights and that the rights which RBC Direct Investing is entitled to exercise pursuant to this section are reasonable and necessary for its protection having regard to the nature of securities markets, including in particular, their volatility.

16.9 Option Trading:

a. Rights of RBC Direct Investing: RBC Direct Investing may from time to time: (i) reject any order placed by the accountholder (ii) act

through its market maker or options attorney as principal on the other side of any transaction executed for the accountholder; (iii) require any transaction to be on a cash-only basis, particularly during the last 10 days prior to expiry of an option; (iv) limit or restrict short positions of, or short sales by, the accountholder; (v) limit or restrict the timing by which options orders or exercise instructions must be placed; or (vi) disclose the accountholder's trading and positions to any responsible exchange or clearing corporation.

b. Accountholder Obligations: The accountholder will: (i) whether acting alone or in concert with others, comply with the position and exercise limits set by any relevant exchange or clearing corporation; and (ii) give RBC Direct Investing timely instructions regarding the exercise or disposition of any option position.

c. Amendments to Rules: The accountholder acknowledges that rules may be enacted, amended or repealed by any relevant exchange or clearing corporation which will affect existing positions or subsequent transactions.

d. Exercise Assignment Notices: The accountholder acknowledges that exercise assignment notices are allocated by the relevant clearing corporation at any time during the day. RBC Direct Investing will allocate such notices when received on an automated random basis unless the accountholder is notified otherwise by prior written notice. RBC Direct Investing is not responsible for any delay with respect to the assignment by the clearing corporation or the receipt by RBC Direct Investing of such notices. The accountholder confirms that the accountholder will accept an allocation on this basis.

e. Liability of RBC Direct Investing: Errors or omissions with respect to any transaction for the Account which are caused by RBC Direct Investing will be adjusted by RBC Direct Investing. RBC Direct Investing will not be liable to the accountholder in any way for errors or omissions caused by persons, or by conditions, over which RBC Direct Investing has no control.

f. Absence of Instructions: Other than registered plan accounts, if the accountholder fails to give RBC Direct Investing timely instruction then RBC Direct Investing may, but is not obliged to: (i) exercise or sell any valuable option on behalf of the accountholder in which case the accountholder will pay any resulting transaction costs; and (ii) exercise for the account and risk of the accountholder or sell or close out any expiring valuable option. With respect to registered plan accounts, if the accountholder fails to give RBC Direct Investing timely instruction, then RBC Direct Investing will exercise for the account, at the expense and risk of the accountholder, any expiring valuable option, regardless of whether such exercise may result in a short position in any such account; in the event of a resulting short position, RBC Direct Investing will, and is authorized by the accountholder, to close out such short position as soon as practicable at the sole expense of the accountholder.

g. Writing Covered Options: If the accountholder is authorized to write (sell) covered Call options, then the accountholder must have the underlying Securities covered by any such option in the Account, or an acceptable escrow receipt made available to RBC Direct Investing evidencing ownership of such Securities and their availability to RBC Direct Investing upon exercise of the option, at the time of writing such options. The accountholder will not sell or withdraw from the Account such Securities or any Securities accruing thereto during the term of such options and acknowledges that RBC Direct Investing may prohibit the withdrawal from the Account of any cash dividends or other cash distributions accruing thereon during the term of such options.

h. Writing Uncovered Options: If the accountholder is authorized to write uncovered put or call options or any combination of such uncovered options in a non-registered Account, then prior to doing so,

the accountholder will have in the Account any margin required by us. The accountholder acknowledges that when writing an uncovered call option, the accountholder's liability is unlimited. The accountholder acknowledges that when writing an uncovered put option, the accountholder's liability is limited to the contract striking price of the underlying securities plus transaction costs less the amount received from the put sold. RBC Direct Investing may withdraw the accountholder's authorization to write uncovered options at any time in its sole discretion.

16.10 Holding and Return of Securities: RBC Direct Investing may hold the accountholder's Securities at its head office or any of its branches or at any other location where it is customary for RBC Direct Investing to keep its Securities and RBC Direct Investing's responsibilities to the accountholder for so holding the accountholder's Securities shall be limited to the same degree of care exercised by RBC Direct Investing in the custody of its own Securities. Certificates for Securities for the same issue and for the same aggregate amounts may be delivered to the accountholder in lieu of those originally deposited by the accountholder.

16.11 Free Credit Balances: Any monies held by RBC Direct Investing from time to time to the accountholder's credit are payable on demand. Except to the extent required by law, such monies need not be segregated and may be used by RBC Direct Investing in the ordinary conduct of its business. The accountholder acknowledges that the relationship of the accountholder and RBC Direct Investing with respect to such monies is one of debtor and creditor only.

16.12 Transfer to Other Accounts: RBC Direct Investing may at any time and from time to time take any monies or securities in the Account and any proceeds from the sale or other disposition of such Securities to pay or cover any obligations of the accountholder to RBC Direct Investing including obligations of the accountholder in respect of any other account with RBC Direct Investing whether such account is a joint account or is an account guaranteed by the accountholder.

16.13 Declaration of Short Sales: You will declare all short sales to us at the time of ordering a short sale.

16.14 Good Delivery of Securities: Except for any declared short sale, the accountholder will not order any sale or other disposition of any Securities not owned by the accountholder or of which the accountholder will be unable to make delivery in acceptable delivery form on or before the settlement date.

16.15 Risks: You acknowledge that you: (a) are aware of the risks involved in both the purchase and writing of options, whether or not undertaken in combination with the purchase or sale of other options or securities; (b) understand the rights and obligations associated with put and call option contracts; (c) are financially able to assume such risks and to sustain any losses resulting from such trading; and (d) have received a copy of the Risk Disclosure Statement for Futures and Options or, in the event that your Account is being opened in Quebec, the Disclosure Document for Recognized Market Options, both of which are included in this Booklet.

DISCLOSURE DOCUMENTS

PART A – LEVERAGE RISK DISCLOSURE

Use of Leverage: Using borrowed money to finance the purchase of securities involves a greater risk than using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

PART B – RISK DISCLOSURE STATEMENT FOR FUTURES AND OPTIONS

FOR FUTURES AND OPTIONS

This brief statement does not disclose all of the risks and other significant aspects of trading in futures contracts, options or other derivatives. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in derivatives is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

FUTURES CONTRACTS

1. Effect of "Leverage" or "Gearing"

Transactions in futures contracts carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

2. Risk-Reducing Orders or Strategies

The placing of certain orders (e.g. "stop-loss" order, where permitted under local law, or "stop-limit" orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions.

OPTIONS

3. Variable Degree of Risk

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a futures contract, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures Contracts above). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a futures contract, the seller

will acquire a position in a future with associated liabilities for margin (see the section on Futures Contracts above). If the option is “covered” by the seller holding a corresponding position in the underlying interest or a futures contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

ADDITIONAL RISKS COMMON TO DERIVATIVES

4. Terms and Conditions of Contracts

You should ask the firm with which you deal about the terms and conditions of the specific futures contracts, options or other derivatives which you are trading and associated obligations (e.g., the circumstances under which you may become obligated to make or take delivery of the underlying interest and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

5. Suspension or Restriction of Trading and Pricing Relationships

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or “circuit breakers”) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the derivative may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge “fair” value.

6. Deposited Cash and Property

You should familiarize yourself with the protections accorded money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be prorated in the same manner as cash for purposes of distribution in the event of a shortfall.

7. Commission and Other Charges

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

8. Transactions in Other Jurisdictions

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been affected. You should ask the firm with which you deal for details about the types of redress available in both

your home jurisdiction and other relevant jurisdictions before you start to trade.

9. Currency Risks

The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is need to convert from the currency denomination of the derivative to another currency.

10. Trading facilities

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms. Such limits may vary; you should ask the firm with which you deal for details in this respect.

11. Electronic Trading

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all. Your ability to recover certain losses which are particularly attributable to trading on a market using an electronic trading system may be limited to less than the amount of your total loss.

12. Off-Exchange Transactions

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks.

Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarize yourself with applicable rules.

PART C – DISCLOSURE DOCUMENT FOR RECOGNIZED MARKET OPTIONS

No securities commission or similar authority in Canada has in any way passed upon the merits of options referred to herein and any representation to the contrary is an offence. This document contains condensed information respecting the options referred to herein. Additional information may be obtained from your dealer.

A high degree of risk may be involved in the purchase and sale of options, depending to a large measure on how and why options are used. Options may not be suitable for every investor. See “**Risks in options trading**” and “**Additional Information**”.

Introduction

This disclosure statement sets forth general information relevant to the purchase and sale of put and call options traded on a recognized market and cleared through a clearing corporation. Information concerning the underlying interests on which options are traded, the terms and conditions of these options, the recognized markets on

which they trade and the applicable clearing corporations may be obtained from your dealer. Information on investment strategies and possible uses of options may also be obtained from your dealer.

This disclosure statement refers only to options and clearing corporations which have been recognized or qualified for purposes of this disclosure statement by provincial securities administrators where required. The options discussed herein trade on markets which, for the purposes of this disclosure statement only, are referred to as "recognized markets".

Nature of an option

An option is a contract entered into on a recognized market between a seller (sometimes known as a writer) and a purchaser where all the terms and conditions of the contract (called the "specifications"), other than the consideration (called the "premium") for the option are standardized and predetermined by the recognized market. The premium, paid by the purchaser to the seller is determined in the market on the basis of supply and demand, reflecting such factors as the duration of the option, the difference between the exercise price of the option and the market price of the underlying interest, the price volatility and other characteristics of the underlying interest.

There are two types of options: calls and puts. A call gives the purchaser a right to buy, and a put the right to sell, a specific underlying interest at a stated exercise price and within a specified period of time or on a specific date. An option subjects the seller to an obligation to honour the right granted to the purchaser if exercised by the purchaser. Underlying interests can be shares of a specific corporation, bonds, notes, bills, certificates of deposit, commodities, foreign currency, the cash value of an interest in a stock index or any other interest provided for in the specifications.

An option transaction is entered into on a recognized market by a purchaser and a seller represented by their respective dealers. When the transaction is concluded it is cleared by a clearing corporation affiliated with the recognized market on which the option is traded. When an option transaction is cleared by the clearing corporation it is divided into two contracts with the clearing corporation becoming the seller to the purchaser in the transaction and the purchaser to the seller. Thus on every outstanding option, the purchaser may exercise the option against the clearing corporation and the seller may be called upon to perform his obligation through exercise of the option by the clearing corporation.

Options may also be classified according to delivery requirements: actual delivery and cash delivery. An actual delivery requires the physical delivery of the underlying interest if the option is exercised. A cash delivery option requires a cash payment of the difference between the aggregate exercise price and the value of the underlying interest at a specified time prior or subsequent to the time the option is exercised.

Options are issued in series designated by an expiration month, an exercise price, an underlying interest and a unit of trading. At the time trading is introduced in options with a new expiration month, the recognized market on which the option is traded establishes exercise prices that reflect the current spot prices of the underlying interest. Generally, three series of options are introduced with exercise prices at, below and above the current spot price. When the spot price of the underlying interest moves, additional options may be added with different exercise prices. Options having the same underlying interest and expiration month, but having different exercise prices, may trade at the same time.

Specifications of options

Specifications of options are fixed by the recognized market on which they are traded. These specifications may include such items as

trading units, exercise prices, expiration dates, last day of trading, and the time for determining settlement values.

An option may be bought or sold only on the recognized market on which the option is traded. The recognized market and the clearing corporation may each impose restrictions on certain types of transactions, and under certain circumstances may modify the specifications of outstanding options. In addition, a recognized market or a clearing corporation may limit the number of options which may be held by an investor and may limit the exercise of options under prescribed circumstances.

Exercising options

An option may have either an American style exercise or European style exercise irrespective of where the recognized market is located. An American style option can be exercised by the purchaser at any time before the expiration. To do this, the purchaser notifies the dealer through whom the option was purchased. A purchaser should ascertain in advance from his dealer the latest date on which he may give such notice to his dealer. An European style option may only be exercised by the purchaser on a specified date. Upon receiving an exercise notice from the purchaser's dealer, the clearing corporation assigns it to a member which may re-assign to it a client on a random or other predetermined selection basis.

Upon assignment, the seller must make delivery of (in the case of a call) or take delivery of and pay for (in the case of a put) the underlying interest. In the case of a cash delivery option, the seller must, in lieu of delivery, pay the positive difference between the aggregate exercise price and the settlement value of the underlying interest (in the case of both a call and a put).

A purchaser of an option which expires loses the premium paid for the option and his transaction costs. The seller of an option which expires will have as his gain the premium received for the option less his transaction costs.

Trading of options

Each recognized market permits secondary market trading of its options. This enables purchasers and sellers of options to close out their positions by offsetting sales and purchases. By selling an option with the same terms as the one purchased, or buying an option with the same terms as the one sold, an investor can liquidate his position (called an "offsetting transaction"). Offsetting transactions must be made prior to expiration of an option or by a specified date prior to expiration. Offsetting transactions must be effected through the broker through whom the option was initially sold or purchased.

Price movements in the underlying interest of an option will generally be reflected to some extent in the secondary market value of the option and the purchaser who wishes to realize a profit will have to sell or exercise his option during the life of the option or on the specified date for exercise, as the case may be.

Costs of options trading

Margin requirements

Prior to trading options, a seller must deposit with his dealer cash or securities as collateral (called "margin") for the obligation to buy (in the case of a put) or sell (in the case of a call) the underlying interest if the option should be exercised. Minimum margin rates are set by the recognized market on which the option trades. Higher rates of margin may be required by the seller's dealer.

Margin requirements of various recognized markets may differ. In addition, they are subject to change at any time and such changes may apply retroactively to options positions previously established

Commission charges

Commissions are charged by dealers on the purchase or sale of options as well as on the exercise of options and the delivery of underlying interests.

Risks in options trading

Options can be employed to serve a number of investment strategies including those concerning investments in or related to underlying interests. SOME STRATEGIES FOR BUYING AND SELLING OPTIONS INVOLVE GREATER RISK THAN OTHERS.

The following is a brief summary of some of the risks connected with trading in options:

1. Because an option has a limited life, the purchaser runs the risk of losing his entire investment in a relatively short period of time. If the price of the underlying interest does not rise above (in the case of a call) or fall below (in the case of a put) the exercise price of the option plus premium and transaction costs during the life of the option, or by the specified date for exercise, as the case may be, the option may be of little or no value and if allowed to expire will be worthless.
2. The seller of a call who does not own the underlying interest is subject to a risk of loss should the price of the underlying interest increase. If the call is exercised and the seller is required to purchase the underlying interest at a market price above the exercise price in order to make delivery, he will suffer a loss.
3. The seller of a put who does not have a corresponding short position (that is an obligation to deliver what he does not own) in the underlying interest will suffer a loss if the price of the underlying interest decreases below the exercise price, plus transaction costs minus the premium received. Under such circumstances, the seller of the put will be required to purchase the underlying interest at a price above the market price, with the result that any immediate sale will give rise to a loss.
4. The seller of a call who owns the underlying interest is subject to the full risk of his investment position should the market price of the underlying interest decline during the life of the call, or by the specified date for exercise, as the case may be, but will not share in any gain above the exercise price.
5. The seller of a put who has a corresponding short position in the underlying interest is subject to the full risk of his investment position should the market price of the underlying interest rise during the life of the put, or by the specified date for exercise, as the case may be, but will not share in any gain resulting from a decrease in price below the exercise price.
6. Transactions for certain options may be carried out in a foreign currency. Accordingly, purchasers and sellers of these options using Canadian dollars will be exposed to risks from fluctuations in the foreign exchange market as well as to risks from fluctuations in the price of the underlying interest.
7. There can be no assurance that a liquid market will exist for a particular option to permit an offsetting transaction. For example, there may be insufficient trading interest in the particular option; or trading halts, suspensions or other restrictions may be imposed on the option or the underlying interest; or some event may interrupt normal market operations; or a recognized market could for regulatory or other reasons decide or be compelled to discontinue or restrict trading in the option. In such circumstances the purchaser of the option would only have the alternative of exercising his option in order to realize any profit, and the seller would be unable to terminate his obligation until the option expired or until he performed his obligation upon being assigned an exercise notice.

8. The seller of an American style option has no control over when he might be assigned an exercise notice. He should assume that an exercise notice will be assigned to him in circumstances where the seller may incur a loss.

9. In unforeseen circumstances there may be a shortage of underlying interests available for delivery upon exercise of actual delivery options, which could increase the cost of or make impossible the acquisition of the underlying interests and cause the clearing corporation to impose special exercise settlement procedures.

10. In addition to the risks described above which apply generally to the buying and selling of options, there are timing risks unique to options that are settled by the payment of cash.

The exercise of options settled in cash results in a cash payment from the seller to the purchaser based on the difference between the exercise price of the option and the settlement value. The settlement value is based on the value of the underlying interest at a specified point in time determined by the rules of the recognized market. This specified point in time could vary with the option. For example, the specified point in time could be the time for establishing the closing value of the underlying interest on the day of exercise or in the case of some options based on a stock index the time for establishing the value of the underlying interest which is based on the opening prices of constituent stocks on the day following the last day of trading. Options for which the settlement value is based on opening prices may not, unless the applicable recognized market announces a rule change to the contrary, trade on that day.

The settlement value for options, futures contracts and futures options may not be calculated in the same manner even though each may be based on the same underlying interest.

Where the settlement value of a cash delivery option is determined after the exercise period, the purchaser who exercises such option will suffer from any unfavourable change in the value of the underlying interest from the time of his decision to exercise to the time settlement value is determined. With actual delivery options, this risk can be covered by a complementary transaction in the actual market for the underlying interest.

The seller of a cash delivery option is not informed that he has been assigned an exercise notice until the business day following exercise, at the earliest, and the seller will suffer from any unfavourable change in the value of the underlying interest from the time of determination of the settlement value to the time he learns that he has been assigned. Unlike the seller of an actual delivery option, the seller of a cash delivery option cannot satisfy his assignment obligations by delivery of the lower valued underlying interest, but must pay cash in an amount determined by the settlement value.

The type of risk discussed above makes spreads and other complex option strategies involving cash delivery options substantially more risky than similar strategies involving actual delivery options.

Tax consequences

The income tax consequences of trading in options are dependent upon the nature of the business activities of the investor and the transaction in question. Investors are urged to consult their own professional advisers to determine the consequences applicable to their particular circumstances.

Additional information

Before buying or selling an option an investor should discuss with his dealer:

- his investment needs and objectives;
- the risks he is prepared to take;
- the specifications of options he may wish to trade;
- commission rates;
- margin requirements;
- any other matter of possible concern.

Specifications for each option are available on request from your dealer and from the recognized market on which the option is traded. Should there be any difference in interpretation between this document and the specifications for a given option, the specifications shall prevail.

PART D – STRIP BOND DISCLOSURE STRIP BONDS AND STRIP BOND PACKAGES INFORMATION STATEMENT

June 2008

This Information Statement is being provided as required by securities regulatory authorities in Canada to describe certain attributes of “strip bonds” and “strip bond packages”.

Strip Bonds and Strip Bond Packages

In this Information Statement, the term “strip bond” refers to an interest in (i) the amount payable on account of principal, and/or (ii) an amount payable on account of interest, in respect of “Underlying Bonds”. Underlying Bonds are certain government bonds which can be traded pursuant to an exemption from the registration and prospectus requirements of applicable securities legislation. For a trade in bonds not expressly exempted by the applicable securities legislation, an order or other form of acknowledgment may be sought from the applicable securities commission to proceed without complying with registration and prospectus requirements.

The following is a summary of certain government bonds which can be traded pursuant to an exemption from the registration and prospectus requirements of applicable securities legislation in particular provinces or territories (or in the case of the Yukon Territory, from the prospectus requirements only).

Canada, Provincial and Territorial Bonds

In all provinces and territories, bonds issued or guaranteed by the Government of Canada or a province of Canada.

In Alberta, British Columbia, New Brunswick, Nova Scotia, Newfoundland, Ontario, Prince Edward Island, Saskatchewan, the Northwest Territories, Nunavut and the Yukon Territory, bonds issued or guaranteed by a government of a territory in Canada.

Foreign Country Bonds

In Alberta, Newfoundland, Nova Scotia, Ontario, Prince Edward Island, the Northwest Territories, Nunavut and the Yukon Territory, bonds issued or guaranteed by the government of any foreign country or a political division thereof.

In British Columbia and Saskatchewan, bonds issued or guaranteed by the Government of the United Kingdom, the Government of the United States of America, a state or territory of the United States of America, or the District of Columbia in the United States of America.

In Manitoba, bonds issued or guaranteed by the Government of the United States of America or the Government of the United Kingdom.

A strip bond entitles the holder to a single payment of a fixed amount in the future without the payment of any interest in the interim. The purchase price or present value of a strip bond is determined by discounting the amount of the payment to be received on the payment or maturity date of the strip bond by the appropriate interest rate or yield factor. Strip bonds are therefore different from conventional interest-bearing debt securities and purchasers of strip bonds should be aware of the special attributes of strip bonds as described in this Information Statement. Strip bonds may be purchased in various different forms as described below under “Custodial Arrangements”.

In this Information Statement the term “strip bond package” refers to a security comprised of two or more strip bonds which are combined to make up a “bond-like” strip bond package or an “annuity-like” strip bond package. A bond-like strip bond package consists of a lump-sum payable at maturity, which is backed by an interest in a strip bond payable in respect of one or more Underlying Bonds, together with one or more interests in other strip bonds (usually interest payments) related to one or more Underlying Bonds, thereby creating an instrument that resembles, in its payment characteristics, a conventional bond. An annuity-like strip bond package differs from a bond-like strip bond package only to the extent that it does not include a lump-sum payment at maturity. Strip bond packages may be purchased in the form of several separate strip bonds or as one security in one of the forms described below under “Custodial Arrangements”.

Price volatility

As with conventional interest-bearing debt securities, the market price of strip bonds and strip bond packages will fluctuate with prevailing interest rates. Generally, the market price of conventional interest-bearing debt securities and of strip bonds and strip bond packages will fluctuate in the same direction: when prevailing interest rates rise above the yield of these instruments, their market price will tend to fall; conversely, when prevailing interest rates fall below the yield of these instruments, their market price will tend to rise.

However, the market price of a strip bond will be significantly more volatile than the price of a conventional interest-bearing debt security with the same credit risk and term to maturity. When prevailing interest rates rise, the market price of a strip bond will tend to fall to a greater degree than the market price of a conventional interest-bearing debt security with the same credit risk and term to maturity. Conversely, when prevailing interest rates fall, the market price of a strip bond will tend to rise to a greater degree than the market price of a conventional interest-bearing debt security with the same credit risk and term to maturity. The primary reason for such volatility is the fact that no interest is paid in respect of a strip bond prior to its maturity. There is, therefore, no opportunity to reinvest interest payments at prevailing rates of interest prior to maturity.

The table below compares changes in the prices of conventional interest-bearing debt securities and strip bonds. The table shows, on a hypothetical basis, the difference in price fluctuation as a result of fluctuations in prevailing interest rates between, on the one hand, 5-year and 20-year \$100 face amount conventional bonds bearing interest at 6% payable semi-annually, and, on the other hand, 5-year and 20-year \$100 face amount strip bonds priced to yield 6%. It will be noted that the longer the term to maturity of the bond or the strip bond, the more volatile its market price will be.

Market Price volatility

	Market price	Market yield	Price with rate drop to 5%	% price change	Price with rate increase to 7%	% price change
6% 5-Year Bond	\$100.00	6.00%	\$104.38	+ 4.38%	\$95.84	- 4.16%
5-Year Strip Bond	74.41	6.00	78.12	+ 4.99	70.89	- 4.73
6% 20-Year Bond	100.00	6.00	112.55	+ 12.55	89.32	- 10.68
20-Year Strip Bond	30.66	6.00	37.24	+ 21.49	25.26	- 17.61

In contrast to strip bonds, the income stream received on a strip bond package prior to maturity or the final payment date may be reinvested at the then prevailing interest rates. Therefore, the market price of a strip bond package will not be as volatile as the market price of a strip bond with the same credit risk and term to maturity or final payment date. However, it may be more volatile than the market price of a conventional interest-bearing debt security with the same credit risk and term to maturity.

Secondary Market and Liquidity

Strip bonds, strip bond packages and Underlying Bonds do not trade in Canada in an auction market similar to that for shares listed on a stock exchange. Instead, strip bonds, strip bond packages and Underlying Bonds trade in dealer or over-the-counter markets similar to those for most conventional debt securities.

Certain strip bonds and strip bond packages that are available in Canada are offered by groups of investment dealers or financial institutions which may make markets for the strip bonds and strip bond packages they offer, although they are not obligated to do so. There can be no assurance that a market for particular strip bonds or strip bond packages will be available at any given time. In such circumstances, purchasers may have to hold their strip bonds and strip bond packages to maturity or final payment date in order to realize their investment.

The market for Underlying Bonds is more liquid than the market for strip bond and strip bond packages. Total turnover in Canada federal and provincial bonds totalled \$3.6 trillion in 2000, with trading in Canadian federal bonds accounting for 92 percent of this amount. The average daily turnover of Government of Canada bonds amounted to \$13 billion in 2000, in proportionate terms roughly equivalent to the average daily turnover of U.S. treasury bonds which is generally considered to be the most liquid market in the world.

Government of Canada bonds with 2, 5, 10 and 30-year maturities (i.e., the so-called benchmark issues) account for most of the trading activity in this market and are the most liquid Government of Canada securities. The benchmark issues trade with the tightest bid-offered spread, with spreads widening for securities with different maturities than the benchmark issues. The market for provincial and territorial government securities is less liquid than the market for Government of Canada securities. Securities issued by the larger provinces with significant borrowing requirements are more liquid than securities issued by the smaller provinces, or the territories.

Custodial Arrangements

Purchasers may purchase strip bonds and strip bond packages in four forms:

A book-entry position created by the Canadian Depository for Securities Limited (CDS) which represents an undivided interest in the relevant interest and/or principal payments to be made in respect of one or more

Underlying Bonds held by CDS. This is the most common form of ownership today.

A deposit receipt or certificate issued by a custodian where the receipt or certificate represents an undivided interest in a pool of interest coupons or principal residues held by the custodian or in interest or principal payments to be made in respect of one or more Underlying Bonds held by the custodian (non alter-ego receipts).

A deposit receipt or certificate issued by a custodian where the receipt or certificate represents the relevant segregated underlying interest coupon(s) or principal residue(s) held by the custodian (alter-ego receipt).

In limited circumstances, physical delivery of the actual coupon(s) or residue(s) (in specie).

Each of these forms has different characteristics:

Holders of book-entry positions and non-alter-ego receipts are not entitled to take physical delivery of the underlying coupon(s) or residue(s), except in cases where specifically allowed by the rules of CDS or the custodial arrangements, as the case may be.

Holders of book-entry positions, alter-ego receipts and non alter-ego receipts and the holders of physical coupon(s) and residue(s), may be limited in their right to enforce the terms of the Underlying Bond(s) directly against the issuer. Further, such holders may have their rights under applicable custodial arrangements and in respect of the Underlying Bond(s) affected by a specified majority of such holders. Voting rights may be allocated to holders of strip bonds and strip bond packages based on a formula specified as part of the relevant custodial arrangement or as specified in the terms of the Underlying Bond(s). Each purchaser should review the relevant custodial arrangements and the purchaser's rights thereunder.

For non alter-ego receipts and alter-ego receipts, registered certificates may be available to the holder on request. Where registered certificates are not available, the holder should receive periodic statements showing the security position from his or her investment dealer or other financial institution.

Alter-ego receipts may entitle the holder to take physical delivery of the underlying coupon(s) or residue(s). If the holder decides to take physical delivery, the holder should be aware of the risks (including the risks of lost ownership) associated with holding a bearing security which cannot be replaced. The holder should also be aware that the secondary market for physical strip bonds may be more limited than for other forms of strip bonds and strip bond packages due to the risks involved.

The facilities of CDS are available for custody and settlement of strip bonds and strip bonds packages for any CDS participant.

In some cases Underlying Bonds are redeemable or callable prior to maturity.

Purchasers of strip bonds or strip bond packages relating to interest payments to be made in respect of Underlying Bonds that are redeemable or callable should satisfy themselves that such interest payments do not relate to the interest payment dates that may occur after the Underlying Bond's earliest call or redemption date.

Canadian Income Tax Summary

The Canadian income tax consequences of purchasing strip bonds and strip bond packages are complex. Purchasers of strip bonds and strip bond packages should consult their own tax advisors for advice relating to their particular circumstances. The following summary is intended to be a general commentary on the attributes of strip bonds and strip bond packages under the Income Tax Act (Canada) ("Tax Act") and the

regulations thereunder ("Regulations") for purchasers who hold their strip bonds and strip bond packages as capital property for purposes of the Tax Act. The summary also comments on the attributes under applicable similar provincial or territorial taxation laws.

Qualified Investments

Strip bonds and strip bond packages relating to Underlying Bonds that are issued or guaranteed by the Government of Canada or issued by a province or territory of Canada are "qualified investments" under the Tax Act and are therefore eligible for purchase by trusts governed by registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), registered education savings plans ("RESPs") and deferred profit sharing plans ("DPSPs").

Annual Taxation of Strip Bonds

The Canada Revenue Agency has indicated that purchasers of strip bonds will be treated as having purchased a "prescribed debt obligation" within the meaning of the Regulations. Accordingly, a purchaser will be required to include in income in each year a notional amount of interest, notwithstanding that no interest will be paid or received in the year (see example below). Therefore, these instruments may be more attractive to non-taxable accounts, such as self-directed RRSPs, RRIFs, DPSPs, RESPs, pension funds and charities, than to taxable accounts.

In general terms, the amount of notional interest deemed to accrue each year will be determined by using that interest rate which, when applied to the total purchase price (including any dealer mark-up or commission) and compounded at least annually, will result in a cumulative accrual of notional interest from the date of purchase to the date of maturity equal to the amount of the discount from face value at which the strip bond was purchased.

For individuals and certain trusts, the required accrual of notional interest in each year is generally only up to the anniversary date of the issuance of the Underlying Bond. For example, if a strip bond is purchased on February 1 of a year and the anniversary date of the issuance of the Underlying Bond is June 30, only five months of notional interest accrual will be required in the year of purchase. However, in each subsequent year, notional interest will be required to be accrued from July 1 of the previous year to June 30 of the subsequent year.

The table below sets out the income tax treatment of a taxable individual investor resident in Canada who purchases a \$5,000 strip bond on February 1, 2002 at a total purchase price of \$3,742.96. The anniversary date of the issuance of the Underlying Bond is June 30. The strip bond is due on June 30, 2007 (i.e. 5 years and 149 days later) and the investor holds it to maturity. Thus, the effective annual interest rate on the strip bond for purposes of the interest accrual rules will be 5.5%. The investor's marginal tax rate (determined after taking into account applicable provincial or territorial taxation laws) is assumed for illustrative purposes only to be 45%. Investors should determine their actual marginal tax rate after discussion with a professional tax advisor.

Year	Base for interest compounding (i.e. purchase price plus previously accrued notional interest)	Accrued notional interest for year (i.e. 5.5% of the base for interest compounding except in the first year)	Tax liability at 45%
2002	\$3,742.96	\$ 82.71*	\$ 37.22
2003	3,825.67	210.41	94.68

2004	4,036.08	221.98	99.89
2005	4,258.06	234.20	105.39
2006	4,492.26	247.07	111.18
2007	4,739.33	260.67	117.30
* $[(1.055)^{149/365} \times \$3,742.96] - \$3,742.96$. February 1, 2002 to June 30, 2002 = 149 days because the investor is not credited with interest for the day of purchase.			

In some circumstances the anniversary date of the issuance of the Underlying Bond may not be readily determinable. In these circumstances individual investors may wish to consider accruing notional interest each year to the end of the year instead of to the anniversary date.

A corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary is required for each taxation year to accrue notional interest to the end of the taxation year and not just to an earlier anniversary date in the taxation year.

Disposition of Strip Bonds Prior To Maturity

Upon the disposition of a strip bond prior to maturity, purchasers will be required to include in their income for the year of disposition notional interest to the date of disposition. If the amount received on such a disposition exceeds the total of the purchase price and the amount of all notional interest accrued and included in income, the excess will be treated as a capital gain. If the amount received on disposition is less than the total of the purchase price and the amount of all notional interest accrued and included in income, the difference will be treated as a capital loss. As of the date of this Information Statement, a taxpayer was required to take into account one half of the capital gain or loss in determining taxable income.

The table below sets out the income tax treatment for the individual investor in the previous example where the investor sells the strip bond on September 30, 2004 for an assumed sale price of \$4,361.31.

Proceeds of disposition		\$4,361.31
Base for Calculation of capital gain		
initial purchase price	\$3,742.96	
accrued income for 2002 (see previous table)	82.71	
accrued income for 2003 (see previous table)	210.41	
accrued income for 2004		
to anniversary date (see previous table)	221.98	
to September 30	57.85*	4,315.91
Capital gain		45.40
Taxable capital gain (1/2 of capital gain)		22.70
* $[(1.055)^{92/365} \times \$4,258.06] - \$4,258.06$		

Strip Bond Packages

Because a strip bond package consists for tax purposes of a series of separate strip bonds, the interest inclusion rules will be satisfied if an

annual notional interest inclusion is determined in respect of each separate strip bond as outlined above. However, the calculation of such annual notional interest inclusion may be very complex. In addition, the calculation may be impossible to perform for individual purchasers to the extent that the anniversary dates of the Underlying Bonds are unknown.

As an alternative, purchasers of strip bond packages may wish to consider accruing notional interest to the end of each year at the internal rate of return or yield of the strip bond package determined by reference to the total purchase price (including any dealer mark-up or commission) and on the assumption that each component of the strip bond package is held to maturity or final payment date. The use of this method may in some circumstances result in a marginally less favourable income tax result to an individual purchaser than the calculation of an annual notional interest inclusion in respect of each separate strip bond comprising the strip bond package.

Upon the disposition of a strip bond package prior to maturity, purchasers will be required to include in their income for the year of disposition notional interest to the date of disposition. If the amount received on such a disposition exceeds the sum of the total purchase price and the amount of all notional interest accrued and included in income, the excess will be treated as a capital gain. If the amount received on disposition is less than the sum of the total purchase price and the amount of all notional interest accrued and included in income, the difference will be treated as a capital loss. As of the date of this Information Statement, a taxpayer was required to take into account one half of the capital gain or loss in determining taxable income.

Non-Residents of Canada

Non-residents of Canada for the purposes of the Tax Act who purchase strip bonds or strip bond packages relating to Underlying Bonds issued or guaranteed by the Government of Canada or issued by a province or territory of Canada and which were issued after April 15, 1966 will not be liable for income tax in Canada (including withholding tax) on any amounts paid or credited with respect to the strip bonds or strip bond packages if such purchasers do not use or hold the strip bonds or strip bond packages in carrying on business in Canada and their sole connection with Canada is the acquisition and ownership of the strip bonds or strip bond packages.

Impact on Yield-to-Maturity of Dealer Mark-ups or Commissions Paid on Strip Bonds

Dealer mark-ups or commissions on strip bonds are quoted as a fixed amount per \$100 of maturity amount of the strip bond purchased. The commission charged is generally not affected by the purchase price of the strip bond. Thus, the commission remains the same for strip bonds with a longer term to maturity and lower purchase price. The commissions quoted by investment dealers for strip bonds generally range between 25 cents per \$100 of maturity amount to \$1.50 per \$100 of maturity amount. Commissions are typically at the higher end of this range for small transaction amounts, reflecting the higher costs of processing a small trade. The commissions generally decline for larger transaction sizes.

The table below illustrates the after-commission yield to an investor in strip bonds with different before-commission yields and with different terms to maturity. All of the yield numbers are semi-annual. For example, a strip bond with a term to maturity of one year, a before-commission yield of 4.5% and a commission of 25 cents per \$100 of maturity amount has an after-commission yield of 4.234%. The before-commission cost of this particular strip bond will be \$94.72 per \$100 of maturity amount while the after-commission cost will be \$94.97 per \$100 of maturity amount. Similarly, a strip bond with a term to maturity of 25

years, a before-commission yield of 6.5% and a commission of \$1.50 per \$100 of maturity amount has an after-commission yield of 6.204%. The before-commission cost of this particular strip bond will be \$20.21 per \$100 of maturity amount while the after-commission cost will be \$21.71 per \$100 of maturity amount.

Commission or dealer mark-up amount	Yield before commission or dealer mark-up	Term to maturity in years and yield after commission or dealer mark-up					
		1	2	5	10	15	25
\$0.25	4.5%	4.234%	4.361%	4.436%	4.460%	4.467%	4.469%
	5.5%	5.229%	5.357%	5.433%	5.456%	5.462%	5.460%
	6.5%	6.225%	6.354%	6.429%	6.451%	6.455%	6.449%
\$0.75	4.5%	3.703%	4.083%	4.309%	4.381%	4.401%	4.408%
	5.5%	4.691%	5.073%	5.299%	5.368%	5.385%	5.382%
	6.5%	5.679%	6.062%	6.288%	6.354%	6.367%	6.349%
\$1.50	4.5%	2.915%	3.670%	4.121%	4.263%	4.304%	4.318%
	5.5%	3.892%	4.650%	5.100%	5.238%	5.272%	5.267%
	6.5%	4.868%	5.629%	6.078%	6.211%	6.236%	6.204%

The approximate reduction in annual percentage yield associated with the payment of a specific amount of commission or dealer mark-up may generally be calculated as follows:

$$[(MA/(PP-CA))^{365/n} - [MA/PP]^{365/n}] \times 100$$

where

MA is the maturity value of the strip bond

PP is the purchase price of the strip bond including the amount of any commission or dealer mark-up required to be paid in order to acquire the strip bond

CA is the amount of the commission or dealer mark-up required to be paid to the selling dealer at the time of purchase of the strip bond

n is the number of days from the time of purchase of the strip bond to the time of maturity of the strip bond (determined excluding the day of purchase but including the maturity day and ignoring leap years)

A prospective purchaser or seller of a strip bond is invited to compare the yield to maturity of the strip bond, calculated after giving effect to any applicable dealer mark-up or commission, against the similarly calculated yield to maturity of a conventional interest bearing debt security. Prospective purchasers or sellers are invited to inquire about the dealer's bid and ask prices for the subject strip bond.

PART E – CANADIAN INVESTOR PROTECTION FUND

January 2012



What is the Canadian Investor Protection Fund?

CIPF was created by the investment industry to ensure that client assets are protected --within defined limits --if an investment dealer who is a CIPF Member becomes insolvent. Assets include cash, securities and certain other property such as segregated insurance funds. CIPF is not a government organization. Payments to clients are determined independently by CIPF, not by the investment dealers. For more detail, please visit our website at www.cipf.ca.

Who pays for this coverage and how do I get it?

You, the investor, pay no fees for CIPF protection. Coverage is automatic when you open an account with an investment dealer that's a Member of the Investment Industry Regulatory Organization of Canada (IIROC).

Each investment dealer contributes to a substantial fund which CIPF maintains. CIPF determines the size of the fund and the amount that each investment dealer has to contribute.

Who are the CIPF Members?

Approximately 200 investment dealers across Canada are Members of CIPF as a result of being a Dealer Member of IIROC. All Members are listed on our website.

ALL CIPF Members must include the words "Member – Canadian Investor Protection Fund" or the CIPF logo on your contracts and statements. Members must also display the CIPF logo at their premises.

Are there limits on my coverage?

The limit is \$1,000,000 CDN for any combination of cash and securities. Most investors will have two accounts—a general account and a retirement account—that are each eligible for \$1,000,000 coverage.

If an investor has several general accounts, such as cash, margin and \$US, they are combined into one account for coverage purposes. Similarly, retirement accounts, such as your registered retirement savings plan (RRSP), registered retirement income fund (RRIF), life income fund (LIF) and locked-in retirement account (LIRA), are combined into one account for coverage purposes.

If you have other types of accounts, you'll want to review the information on our website as it will help you to determine which of your accounts would be combined.

CIPF doesn't cover losses from market fluctuations, or from the bankruptcy of an issuer of a security or deposit instrument held in your account, no matter how drastic or unfortunate.

If the value of my account is more than \$1 million, will I have a loss?

The \$1,000,000 limit applies to your shortfall, which in most cases will be substantially less than the value of your account. For an example, please visit our website.

All my assets are segregated. Do I still need CIPF protection?

Yes. Even if all your assets are segregated at a Member, you may be allocated a loss under Part XII of the Bankruptcy and Insolvency Act of Canada, the legislation applicable to investment dealer bankruptcy, which would then be eligible for up to \$1,000,000 in CIPF protection as outlined in our coverage policy. For a more detailed explanation, please refer to the FAQ section of our website.

What do I need to do if my investment dealer becomes insolvent?

Generally, investors don't have to file individual claims as your monthly statement is considered your claim. Any additional information you'll need will be available on our website or you can contact CIPF directly.

In most cases, your account will be moved to another investment dealer where you can access it. Alternatively, CIPF may deliver the contents or value of your account to you. To the extent there is an eligible loss, each claim is considered according to the coverage policies adopted.

It's important to remember that you're only covered if your losses result from the insolvency of a CIPF Member. To view the coverage policies, please visit our website.

For more information on CIPF, please visit www.cipf.ca or call toll-free at 1 866 243 6981 or 416 866 8366 or e-mail: info@cipf.ca.

Canadian Investor Protection Fund

79 Wellington Street West, Suite 610, Box 75,
Toronto, Ontario, Canada M5K 1E7

PART F – AN INVESTOR'S GUIDE TO MAKING A COMPLAINT

September 2011

The Investment Industry Regulatory Organization of Canada (IIROC) regulates all investment dealers in Canada. We set high quality regulatory and investment industry standards to protect investors and strengthen market integrity.

IIROC sets and enforces rules regarding:

- the business and financial conduct of dealer firms and their registered employees; and
- trading activity on all of Canada's equity marketplaces.

We also set proficiency standards. IIROC can bring disciplinary proceedings which may result in penalties including fines, suspensions and permanent bans or terminations for individuals and firms.

This brochure provides information on:

- How to Make a Complaint to an IIROC regulated firm;
- How to Make a Complaint to IIROC; and
- Compensation options for investors.

This information and more is also available at www.iiroc.ca

Don't Delay

When making a complaint to IIROC or a firm, do so as quickly as possible after the event.

Making your complaint to the firm

IIROC-regulated firms must comply with IIROC standards for handling client complaints.

For service complaints, IIROC Rules require firms to respond in writing to all written complaints.

For complaints that involve possible rule infractions regarding a client's account, IIROC Rules require firms to:

Acknowledge your complaint within 5 business days

Provide their final decision within 90 calendar days, along with:

- A summary of your complaint;
- The results of their investigation;
- An explanation of their final decision, and
- Options for seeking compensation available to you, if you are not satisfied with the firm's response.

If a firm cannot provide a response within 90 days, you must be informed of the delay, the reason for the delay and the expected new response time.

Making your complaint to IIROC

You don't need to wait until the firm responds to your complaint before filing your complaint with IIROC. You can do so simultaneously or at any time.

IIROC encourages clients to inform us of your complaints. It's important so we can take regulatory action where rule infractions have occurred.

We can take disciplinary action to address undesirable behaviour by individuals or firms. Actions range from issuing a warning to launching an investigation and bringing a formal proceeding and hearing.

There are two ways to file a complaint with IIROC.

1. Call our Info/Complaint Line, 1.877.442.4322, for inquiries or to have a Customer Complaint Form mailed to you
2. Complete a Customer Online Complaint Form at www.iroc.ca

Generally, IIROC will notify you to acknowledge receipt of your complaint and will update you after an initial assessment or when a decision has been made whether to proceed with an investigation of a complaint involving a dealer or its registered staff. (In some cases, the entire investigation process must remain confidential until it becomes a matter of public record.)

You may be contacted by an IIROC staff member to provide additional information. If we do not pursue an investigation we may suggest, where possible, other ways of resolving the issue and will keep the information on file for reference.

Have your details ready

IIROC can help you best if we receive accurate and complete information, including:

- Your name and contact information;
- The name and contact information of any individual or firm mentioned in your complaint;
- Specific details of how, why and when you encountered problems; and
- All the relevant documentation, including any notes of meetings and/or discussions.

Investor options for seeking compensation

You can:

- Consider the free mediation service offered by the Autorité des marchés financiers (AMF) for Québec residents
- Go to Arbitration
- Take your case to the Ombudsman for Banking Services and Investments (OBSI)
- Pursue legal action

It's up to you ...

IIROC rules require firms to participate in arbitration or OBSI when the client chooses either of those options.

AMF Mediation Service

Quebec residents may also consider free mediation services offered by the Autorité des marchés financiers (AMF), Quebec's financial sector regulator.

After having dealt with your firm, you can ask that a copy of your complaint file be transferred to the AMF, who may offer a free mediation service. Participation is voluntary and requires the consent of both the firm and client.

For more information on mediation services:

1.877.525.0337

www.lautorite.qc.ca

renseignementsconsommateur@lautorite.qc.ca

Arbitration

IIROC has designated two independent arbitration organizations for resolution of disputes between Dealer Members and clients.

Arbitrations are conducted by a sole arbitrator. The arbitrator guides the proceedings, reviews the case presented by each party, and arrives at a binding decision.

Parties are permitted to retain legal counsel.

The arbitrators for this program are empowered to award up to \$500,000 plus interest and legal costs.

At the outset in a proceeding, an investor has the option to leave the discretion on awarding legal costs to the arbitrator or to choose to have the two parties pay their own legal costs and not be liable to a ruling that they would have to cover some or all of the other party's legal costs. It is still possible for the arbitrator to overrule that option and retain the right to award costs if he or she determines that one party has acted in bad faith or in an unfair, vexatious or improper manner, or has unnecessarily prolonged proceedings.

Arbitration fees (administrative fees, disbursements of the arbitration organization and the arbitrator's fees) are divided equally between the parties unless the arbitrator chooses to reallocate those amounts.

Please contact:

ADR Chambers

1.800.856.5154

www.adrchambers.com

Arbitration for clients resident in Quebec

Please contact:

Canadian Commercial Arbitration Centre

1.877.909.3794

www.ccac-adr.org

Ombudsman for Banking Services and Investments (OBSI)

OBSI is a free, independent service for resolving investment disputes impartially. You have up to 180 days after receiving your firm's response to submit your complaint to OBSI. OBSI can recommend compensation of up to \$350,000.

1.888.451.4519

ombudsman@obsi.ca

www.obsi.ca

If you decide not to accept OBSI's recommendation, you can still seek redress through the IIROC arbitration program or the courts.

Legal Action

You also have the option of going to court.

Statute of Limitations

You should be aware that there are legal time limits for taking legal action.

A lawyer can advise you of your options and recourses. Once the applicable limitation period expires, you may lose rights to pursue some claims.

Keep a file

As with all financial matters, it's important to keep a file. Retain documents such as account application forms, agreements and statements. Document the steps you take to resolve your complaint. Keep copies of letters, faxes, emails and notes of conversations.

Manitoba, New Brunswick and Saskatchewan: Securities regulatory authorities in these provinces have the power to, in appropriate cases, order that a person or company that has contravened securities laws in their provinces, pay compensation to a claimant. The claimant is then able to enforce such an order as if it were a judgement of the superior court in that province.

Manitoba Securities Commission:

www.msc.gov.mb.ca

New Brunswick Securities Commission:

www.nbsc-cvmnb.ca

Saskatchewan Financial Services Commission:

www.sfsc.gov.sk.ca

Investment Industry Regulatory

Organization of Canada

Organisme canadien de réglementation du commerce des valeurs mobilières

Montréal

5 Place Ville Marie, Suite 1550

Montréal, Quebec H3B 2G2

Toronto

Suite 1600, 121 King Street West

Toronto, Ontario M5H 3T9

Calgary

Suite 2300, 355 Fourth Avenue S.W.

Calgary, Alberta T2P 0J1

Vancouver

Suite 2800 - Royal Centre

1055 West Georgia Street

P.O. Box 11164

Vancouver, British Columbia V6E 3R5

Part G – Relationship Disclosure

The purpose of this relationship disclosure is to provide you with a description of our products and services, the nature of your Account(s), the manner in which it will operate, and our responsibilities to you. This document is to be read in conjunction with the Operation of Account Agreement. If you have any questions about this disclosure, please contact an RBC Direct Investing investment services representative at 1-800-769-2560.

Types of Products and Services Available to you

RBC Direct Investing is an investment dealer that provides clients with order execution services. Orders may be placed by speaking with an investment services representative, using our online investing site or through any other automated service that we may provide in the future.

You will find specific details regarding the operation of your cash or margin account in the Operation of Account Agreement. **You are strongly encouraged to retain a copy of the Operation of Account Agreement for your files and become familiar with the information contained within it.**

Through RBC Direct Investing, you have access to a wide range of investment products. The following is a general description of the products available to you through our firm:

Stocks, Options, Rights and Warrants and other equities
GICs, Treasury Bills and other money market instruments
Bonds, Strip Bonds, Debentures and other fixed income products
Exchange Traded Funds
Mutual Funds
Gold and silver certificates

We offer the following types of accounts:

Self-directed registered plans (e.g. RRSP, RRIF, RESP, and Locked-In Plans)
Self-directed investment accounts (e.g. cash, margin)
Tax-Free Savings Accounts

For a current and comprehensive list of products and services, please visit our web site at <http://www.rbcdirectinvesting.com/> or contact an RBC Direct Investing investment services representative.

Account Relationship

RBC Direct Investing provides clients with order execution services. We will not provide you with investment advice or recommendations and will not conduct a suitability assessment of your account holdings or orders that we accept from you or anyone else authorized to act on your behalf.

Statements and Confirmations

You will receive account statements and trade confirmations as described in the Operation of Account Agreement. Trade confirmations will generally be provided to you on the first business day after the trade is executed or contracted to the Account as applicable, or as soon as practicable thereafter. Depending on the level of activity in your Account we will send you a statement of your Account either monthly or quarterly. For applicable terms and conditions, please refer to Section 3.8 "Statements, Confirmations and Notices" of the Operation of Account Agreement.

Account Performance Reporting

The securities regulators are introducing new account performance reporting requirements and are determining the type and extent of account performance reporting that you will receive from us. At this time, the securities regulations may mandate the provision of client account cost reports, cumulative account performance information and account annualized compound percentage return information. When the new account performance laws become effective, we will ensure that your account performance reporting is made available to you in accordance with applicable requirements.

RBC Direct Investing is monitoring applicable regulatory developments. If you have any questions about your account performance reporting, please contact an RBC Direct Investing investment services representative.

Conflicts of Interest

To ensure fairness to clients and to maintain public confidence, RBC and RBC Direct Investing have adopted policies and procedures to help identify and manage conflicts of interest that may exist between you and RBC Direct Investing and/or an RBC Direct Investing investment services representative. In general, we deal with and manage relevant conflicts as follows:

Avoidance: This includes avoiding conflicts which are prohibited by law as well as conflicts which cannot effectively be managed.

Control: We manage acceptable conflicts through means such as physical separation of different business functions and restricting the internal exchange of information.

Disclosure: By providing you with information about conflicts, you are able to assess independently their significance when evaluating our suggestions and any actions we take.

Material conflicts of interest situations may include the following:

Related and Connected Issuers

We may affect transactions in your Account, as you may from time to time instruct us, in the securities of a related or connected issuer of RBC Direct Investing. In respect of your Account, you consent to the purchase or sale of securities of issuers that are related or connected to RBC Direct Investing. For applicable terms and conditions, please refer to Section 3.4 "Agent or Principal" and Section 6.4 "Related and Connected Issuers" of the Operation of Account Agreement. For an explanation of what comprises a related and/or connected issuer, as well as to view a current list of all related and connected issuers of RBC Direct Investing, please refer to the following website: www.rbc.com/issuers-disclosures or contact an RBC Direct Investing investment services representative.

Other Services, Dual Registration and Outside Business Activities

RBC Direct Investing may also obtain from or provide to RBC and its subsidiaries, other management, administrative, referral or other services in connection with its ongoing business. Individuals registered with RBC Direct Investing may also be registered with another related registered company and provide services to clients of that company. These relationships are subject to legislative and industry regulatory requirements that impose restrictions on dealings between related registered companies and/or individuals that are dually registered with related registered companies and such restrictions are intended to minimize the potential for conflicts of interest resulting from these relationships.

Further, industry regulatory requirements generally do not permit individuals registered with RBC Direct Investing to be employed by, participate in, or accept compensation from any other person, outside the scope of his/her relationship with RBC Direct Investing, unless he/she has the prior approval of RBC Direct Investing. We have adopted internal policies and procedures that supplement the regulatory requirements, including policies on privacy and confidentiality of information.

For current and comprehensive information relating to material conflicts of interest that may exist between you and RBC Direct Investing and/or an investment services representative, please refer to www.rbc.com/issuers-disclosures. Any future material conflicts of interest situations, where not avoided, will be disclosed to you as they arise.

Account Fees, Service Charges and Costs of Making Investments

RBC Direct Investing will deduct from your Account any applicable administrative fees, costs, charges, commissions and transaction charges for operating your Account and placing trades for you. Generally, costs, charges, commissions or other fees charged to you may depend on, among other things, the balance in your Account, the amount of your transaction, the types of products you transact in and the services you use. You are also advised that charges, such as commissions, may vary depending on whether you place an order with an investment services representative or use our online investing site or other automated services.

A description of the account service fees and charges that you will or may incur relating to the general operation of the Account (including foreign exchange and interest charges) and a description of charges that you will or may incur in making, disposing and holding investments are generally outlined in Part 4 "Fees, Commissions and Charges" of the Operations of Account Agreement as well as the RBC Direct Investing Commission and Fee Schedule. A copy of the Commission and Fee Schedule, which sets out the current rates of applicable fees and charges, is available upon request or on our website at <http://www.rbcdirectinvesting.com/commissions-fees-schedule.html>.

a. Commissions When you buy or sell certain investment products such as options, equities, fixed income products or gold and silver certificates, you will be charged a commission. You are advised that commission rates vary and minimum amounts may apply.

b. Fees and Sales Charges Mutual fund companies may charge, among other things, front-end loads, back-end loads, short-term trading fees and deferred sales charges. For instance, in the case of the purchase of a mutual fund security on a deferred sales charge basis, a

charge may be triggered upon the redemption of the security if sold within the time period that a deferred sales charge would apply. In addition, you may incur miscellaneous fees such as set-up fees, processing fees and early redemption charges. You will find specific details about charges that you may incur in the simplified prospectus that applies to a fund. Please consult a fund's simplified prospectus and contact an RBC Direct Investing investment services representative if you have any questions.

c. Administration, Transaction, Maintenance and Processing Fees

Depending on the total value of assets you have with our firm (e.g. self-directed registered plan, non-registered investment account, employee stock option plans etc.) you may incur administrative, transaction, maintenance or processing fees. Please refer to the Commission and Fee Schedule for specific information.

d. Miscellaneous Services Fees Fees for miscellaneous services may also be charged to you. Such fees may include, among other things, charges for cheque requests, dishonoured items, certificate registration, etc. A list of miscellaneous charges that you may incur is included within the Commission and Fee Schedule.

Account Documents

The following account opening documents are used to open most types of accounts at RBC Direct Investing:

Account Application Form, a legally binding contract between you and RBC Direct Investing.

Operation of Account Agreement and Disclosure Documents, a document that contains the terms and conditions defining the relationship between you and us. It incorporates legal and regulatory disclosures that you must receive including disclosures relating to leverage risk, futures and options, strip bond and the Canadian Investor Protection Fund.

Depending on the account type, account features and your instructions, you may receive or be required to complete additional stand-alone document(s).

Client Complaint Examination and Resolution Policy

The members of RBC believe that all of us – our clients and ourselves – stand to gain by being in contact, whether it is to answer a question, solve a problem or share a success story. While we welcome any positive comments you have, it is equally important for us to know when you have a problem so that we can resolve it and retain your confidence. At the same time, we use your feedback to continuously improve the quality of the products and services we provide to you and other RBC clients. Implementing policies that will treat all clients in an equitable and fair manner is integral to the way we do business.

The following is an overview of RBC Direct Investing's Client Complaint Examination and Resolution process:

Written client complaints can be submitted by mail, fax or email, or secure message directly to RBC Direct Investing's Client Liaison Team or to the Branch Manager. Verbal complaints will also be reviewed internally to determine their merit and appropriate course of resolution.

Within five business days, an acknowledgement letter or secure message, including the RBC Direct Investing Client Complaint Examination and Resolution Policy Overview and Investment Industry Regulatory Organization of Canada's (IIROC) brochure "An Investor's Guide to Making a Complaint" are sent to the complainant.

The primary contact for the complainant will be the Client Liaison Team. It will be their responsibility to investigate and formally respond in writing to the complainant. The RBC Direct Investing Chief Compliance Officer is the Designated Complaints Officer who has ultimate responsibility for managing the client complaint process. Should the complainant have any concerns with the handling of their complaint during this process, these concerns should be directed to:

Designated Complaints Officer
c/o RBC Direct Investing Compliance,
155 Wellington Street West,
PO Box 150, Toronto, ON M5V 3K7

Complaints are responded to as soon as possible with minimal delay, however this process may take up to 90 days depending on the subject matter involved, in which case complainants are advised of the status of the investigation. A written status update will be provided to the complainant if the review and response are not going to be completed within the 90 day period.

Clients can escalate their complaint internally to the RBC Office of the Ombudsman upon receipt of the RBC Direct Investing formal response. Alternatively, clients can escalate externally to the Ombudsman for Banking Services and Investments

For a copy of IIROC's brochure "An Investor's Guide to Making a Complaint", please refer to Part F of the Disclosure Documents.