

UPDATES TO THE CLIENT ACCOUNT AGREEMENTS AND DISCLOSURE DOCUMENTS

March 2016

The following amendments to the Client Account Agreement and the Relationship Disclosure Document, which are now consolidated in one booklet, Client Account Agreements and Disclosures Documents, are effective March 2016. Additional disclosures and acknowledgments have been added. These documents detail our obligations to you as a client, the services you can expect from us, how your accounts operate and what fees you may pay. If you have any questions or would like more information, please contact your Investment Advisor.

1. 4.1 Administrative Fees reported as operating charges updated.

Administrative Fees may be reported on your account statements and/or annual charges and compensation reports as “operating charges”, which are any amounts charged to you by us in respect of the operation, transfer or termination of your account and include taxes paid on that amount. Additional account administrative fees with respect to Managed Accounts or Advisor Accounts may be reported on account statements and/or annual charges and compensation reports as “investment management” fees. Further information regarding these fees is set out under the sections entitled “Additional Terms for Advisor Accounts” and “Additional Terms for Managed Accounts” respectively.

2. 4.2 Commissions reported as transactional charges updated.

Commissions may be reported on your account statements and/or annual charges and compensation reports as “transactional charges”, which are any amounts charged to you by us in respect of a purchase or sale of a security and includes any taxes paid on that amount.

3. 5.2 Corporate Information

BonaVista Asset Management Inc. has been removed as an affiliated company.

4. 5.3 Order Routing and Payment for Order Flow has been removed.

5. 6.4 Mutual Funds and Other Proprietary Products acknowledgement added.

You agree that we may effect transactions in your account in the securities of a mutual fund or other investment product managed by any of our affiliates as you may, from time to time, instruct us or as we are otherwise permitted without your instructions. In respect of your Managed Account, you consent to the exercise of discretionary authority by RBC DS under this Agreement in respect of the purchase or sale of mutual funds or other proprietary products managed by any of our affiliates as explained in section 18.1 of this Agreement.

6. 8.6 Sharing of Personal Information section has been updated.

Personal information collected from any of you for the purpose of establishment or ongoing maintenance and operation of the joint account may be shared, solely with respect to the joint account, with account holders of such joint account. You consent to such disclosure of personal information.

7. 8.7 Relationship Breakdown section has been updated.

Notwithstanding anything to the contrary in this Agreement, where the account is held in the name of a corporation, trust, estate or a non-corporate entity as described in Part 14 of this Agreement and in the event that any person with account authority or in the case of a non-corporate entity, any Member notifies RBC DS that the assets of the account are subject to legal proceedings or RBC DS otherwise



Wealth Management
Dominion Securities

becomes aware that the account authorities or Members have suffered a relationship breakdown which affects the maintenance or operation of the account, RBC DS may require all instructions given in respect of the account to be given jointly in writing by all account authorities or Members, as applicable.

8. 12.4 Valueless Security has been added.

A valueless security, for the purposes of this Agreement, is a share or debt instrument of a company which

- (i) has been delisted, provided one year has passed since delisting;
- (ii) is bankrupt, in receivership or in liquidation and shares have no (or nominal) value on any exchange, listing or unregulated exchange;
- (iii) has been wound up into a parent company and shareholders of the wound up company have received neither payment nor shares in the parent company;
- (iv) exists but is no longer in business and shares have no (or nominal) value on any exchange, listing or unregulated exchange or otherwise cannot reasonably be demonstrated to have any value; or
- (v) has significant legal troubles which are reasonably believed by RBC DS to render the shares of the company to have no or nominal value (a “valueless security”), however, it will not include a security subject to one or more of the following: a cease trade, trade halt or trade suspension order.

Solely in respect of an account holding only a security which may be regarded as a valueless security, you acknowledge and agree that RBC DS shall be entitled to deem, in its sole discretion, such security to be a valueless security; such discretion to be exercised in a reasonable manner. In the foregoing circumstances RBC DS may, without notice to you, remove the valueless security from your account at zero or nominal value and the removal will be treated as a disposition of the security to RBC DS for tax purposes. In accordance with the foregoing, you agree that RBC DS will not be liable to you for any future value attributable to the valueless securities or for distributions in cash or in kind. Upon the permanent removal of the valueless security from the account, with no other assets, we may terminate this Agreement and close your account in accordance with section 12.3 (Termination) of this Agreement. Where a security forms part of a portfolio of securities held in your account and such security may be deemed to be valueless, you will have the right but not the obligation to treat such security as a valueless security and we will require your instructions prior to its removal in accordance

with this provision. For more information on the process for treating a security as a valueless security or its removal from your account, please speak to your investment advisor and for information on claiming a loss on such a valueless security, if applicable, please speak to your independent tax advisor or accountant.

9. 6.8 Consent to the Electronic Delivery of Documents updated.

Amendments updated at (i) to state that RBC DS may change any term of this Agreement by giving you thirty (30) days’ notice in writing or through an Automated Service. Notice period changed from 60 to 30 days.

10. 15.8 Non-Canadian Residents new disclosure has been added.

If you are a non-Canadian resident and you have a Wealthline account, you agree as follows:

- Any and all payments made in connection with your account shall be made in full, without any deduction for or withholding from or on account of any tax (including any penalty or interest payable in connection with any failure to pay or any delay in paying any tax), unless you are compelled by law to make the payment to us subject to the deduction or withholding of any tax;
- If a deduction or withholding of a tax payment is required, the amount of your Wealthline payment to us shall be increased to the extent necessary to ensure that, after the amount of the tax is withheld or deducted, including any withholding or deduction as a consequence of the increase in the payment amount, RBC DS will receive and be able to retain a net sum equal to the amount that it would have received, if the deduction or withholding had not been required;
- If you deduct or withhold an amount in respect of taxes, you will remit that amount to the appropriate tax authority or other agency within the time allowed for the payment under the applicable law; and
- You will pay to us, on demand, the amount of any income, corporate, withholding or similar taxes (other than income tax imposed on us) that may be imposed upon or in respect of the principal amount outstanding under Wealthline or interest thereon that we are required to pay, together with interest at the rate applicable to Wealthline from the date on which we pay any such amount in respect of taxes; and
- You will seek independent tax advice to determine any taxes that must be withheld from Wealthline payments to us. That advice should be sufficient to determine at what time, and to which taxing authority or other agency, those taxes should be remitted.

11. 17.4 Advisor Account Fee acknowledgement added.

You acknowledge that the Advisor Account Fee does not include fees that may be embedded in certain products, which are not paid to us (such fees may include, but are not limited to, fees embedded in investment funds).

12. 17.4 Advisor Account Fee information has been added.

This fee may be reported on your account statements and/or annual charges and compensation reports as an “operating charge”, under the heading of “investment management”.

13. 18.1 (e) Discretionary Investment Authority acknowledgement removed.

In connection with above, you acknowledge that in the event your account is opened under the program entitled Parameters Portfolios, a Responsible Person of the Investment Manager is an officer or director of Royal Bank of Canada and that your account may, from time to time, be invested in the securities of Royal Bank of Canada.

14. 18.8 PIM Account acknowledgements and disclosures added.

You acknowledge that your PIM Account Fee does not include fees that may be embedded in certain products, which are not paid to us (such fees may include, but are not limited to, fees embedded in investment funds).

Upon the closure of your PIM Account, the PIM Account Fee will be pro-rated to the date of closure. The PIM Account Fee may be reported on your account statements and/or annual charges and compensation reports as an “operating charge”, under the heading of “investment management”.

15. 18.3 Changing Investment Managers/Selected Sub-Advisors disclosure and acknowledgement added.

We will consider your Investment Objectives when determining the investment decisions to be made with respect to your Access Account.

You understand that the selected strategy of your Selected Sub-Advisor has been selected by you based upon your investment objectives and risk tolerances you provided in our account forms. The investment recommendations of your Selected Sub-Advisor will be based upon that selected strategy rather than your personal circumstances.

16. 19.7 Risk Limit for Futures Accounts added.

When you open a Futures Account with us, you will be required to advise us of your annual risk limit for futures trading, in Canadian dollars, which indicates the maximum amount of cumulative loss you can afford to sustain in a given calendar year. You will have the opportunity to revise your annual risk limit each calendar year.

In or around year end, we will ask whether you want to update your annual risk limit for the following year. If you do not advise us of any change to your risk limit, the risk limit from the previous year will be applied to your futures account.

17. 19.7 C. Callout for Risk Disclosure added.

Please refer to Part B – Risk Disclosure Statement for Futures Contracts, Options or Other Derivatives, of this agreement for further information regarding risks associated with derivatives.

18. 20.11 General representation removed.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and of Canada, and the parties agree to attorn to the jurisdiction of the Province of Ontario.

19. 19. Additional Risk Disclosure Statement for Exchange-Traded Commodity Futures options removed.

20. Part 21 – Additional Terms for Pre-Authorized Mutual Fund Purchase Plans added.

21.1 In the event that you have instructed us to establish a pre-authorized mutual fund purchase plan (a “PAC Plan”), you will receive a Fund Facts document (“Fund Facts”) following the first purchase under the PAC Plan.

21.2 You will not receive a Fund Facts in connection with subsequent purchases of securities of a mutual fund made pursuant to a PAC Plan, unless you make a specific request with your Investment Advisor to receive a copy. You may, at any time, request to receive Funds Facts with each PAC Plan purchase or a copy of the most recently filed Fund Facts, at no cost to you, by contacting your Investment Advisor or by writing to RBC DS head office with your account number and contact information. The most recently filed Fund Facts may also be found by visiting either www.sedar.com or the website of the applicable mutual fund.

21.3 You will receive an annual notice advising you how you can request the most recently filed Fund Facts in respect of securities of mutual funds purchased pursuant to your PAC Plan.

21.4 You will not have the right to withdraw from a purchase of securities of any mutual fund made pursuant to your PAC Plan, but you will have the right of action for damages or rescission in the event any Fund Facts or document incorporated by reference into any renewal prospectus contains a misrepresentation, whether or not you request the Fund Facts.

21.5 You have the right to terminate your PAC Plan at any time before a scheduled investment date.

21. All references to Parameters Accounts and Parameters Portfolios removed since this program is no longer offered.

22. Aequitas Disclosure added.

On November 17, 2014 the Ontario Securities Commission (“OSC”) published its recognition order in which it recognized each of Aequitas Innovations Inc. (“Aequitas”) and Aequitas Neo Exchange Inc. (“Aequitas Neo Exchange”) as a stock exchange in Ontario. The recognition order became effective on March 1, 2015.

The Royal Bank of Canada (“RBC”) through its wholly owned subsidiary RBC Dominion Securities Inc. (“RBCDS”), along with various “buy-side” organizations and other market participants, is a founding shareholder in Aequitas, the parent company of Aequitas Neo Exchange. As a founding shareholder of Aequitas, a private company, RBCDS will have representation on the Aequitas Board of Directors.

As a member (participant) of Aequitas Neo Exchange RBCDS may, consistent with “best execution” and applicable regulatory requirements, route your orders to the Aequitas Neo Exchange in the normal course. As a Canadian registered investment dealer, RBCDS is bound by both internal and regulatory requirements respecting the handling of client orders in a manner that provides each client order with the most advantageous executions terms available. With this in mind, RBCDS will, consistent with its best execution obligation, consider as part of its order routing protocol, execution opportunities on the Aequitas Neo Exchange.

RBCDS will also act as a designated market maker on Aequitas Neo Exchange. In that role, RBCDS will make a commitment to maintain a two-sided market for specific securities, as assigned by Aequitas Neo Exchange. At launch, these market making commitments will be limited primarily to various Exchange Traded Funds, preferred shares and various public companies. While these obligations are new with respect to Aequitas Neo Exchange, our role as a market maker in Canada is not – RBCDS already holds various market making assignments on many Toronto Stock Exchange listed securities.