



**RBCDS Best Execution Policy  
“Client Disclosure”**

**RBC Dominion Securities Inc.  
December 2017**

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## 1.0 PURPOSE OF THIS DOCUMENT

RBC Capital Markets is the global brand name for the capital markets business of Royal Bank of Canada and its affiliates, including RBC Dominion Securities Inc.

The purpose of this document is provide an overview on RBC Dominion Securities Inc. (herein referred to as “RBCDS”) order execution policy and approach to providing “Best Execution” to institutional and wealth management clients in accordance with the Universal Market Integrity Rules “UMIR” and applicable securities laws in Canada.

This document is published and updated as necessary on our website at:

[www.rbccm.com/en/policies-disclaimers.page](http://www.rbccm.com/en/policies-disclaimers.page)

## 2.0 SCOPE OF THE POLICY

The Policy applies to business conducted with institutional (as defined in IIROC’s Dealer Member Rules)<sup>1</sup> and RBCDS wealth management’s trading desk clients (“Clients”) and applies to listed securities and over-the-counter (“OTC”) securities (see ANNEX 1).

## 3.0 WHAT IS THE “BEST EXECUTION” OBLIGATION?

Best execution is the requirement to take all reasonable steps to obtain the best possible result for you, taking into account price, costs, speed, likelihood of execution and settlement, size, nature and/or any other consideration relevant to the execution of an order or any other scenario where you place legitimate reliance on us to protect your interests (“Execution Factors”).

In order to achieve best execution when executing an order on behalf of a retail or institutional client, we take into account the following factors (the “Execution Factors”):

- Price at which the trade would occur
- Speed of execution
- Certainty of execution
- Transaction cost and risks relevant to the execution
- Size and nature of the order
- Likely market impact
- Any other consideration deemed relevant to the execution of an order

When considering these circumstances, RBCDS will also take into account the prevailing market conditions and also consider such factors as:

- Prices and volumes of the last sale and previous trades
- Direction of the market of the security
- Posted size on the bid and offer
- The size of the spread; and
- Liquidity of the security



With respect to institutional clients, when determining the relative importance of the execution factors, we will take into account the characteristics of:

- The client, including the categorization of the client as institutional or retail
- The client order
- The financial instruments that are subject of the client order
- The execution venues to which the client order can be directed

#### 4.0 WHEN DOES THE BEST EXECUTION OBLIGATION APPLY?

We owe you an obligation to take all reasonable steps to obtain best execution when executing orders on your behalf. We regard ourselves to typically be in receipt of an order and acting on your behalf where you legitimately rely on us to protect your interests in relation to the Execution Factors relevant to that transaction and to act on your behalf. This will include but is not limited to the following situations where we are:

- executing an order by dealing as your agent;
- executing an order by dealing as principal and taking the opposing side; and
- “working an order” on your behalf.

In all other circumstances, for example when we deal on our own account in response to a request for quote (“RFQ”), we will assess whether you are placing legitimate reliance on us to protect your interest in relation to the Execution Factors relevant to that transaction. In order to make this assessment the following four factors (the “four-fold test”) will be considered. These factors will be considered collectively and not in isolation; any one factor, or a combination thereof, may require us to apply best execution:

- i. ***which party initiated or solicited the transaction*** - it is more likely that you will be placing reliance on us where we propose the transaction to you;
- ii. ***whether there is a market practice and the existence of a convention to “shop around (i.e. seek quotes from other brokers)”*** – it is more likely that you will be placing reliance on us in markets where there is not a convention for you to “shop-around (i.e. seek quotes from other brokers)” for a quote;
- iii. ***the relative levels of price transparency within a market*** - it is more likely that you will be placing reliance upon us where the level of price transparency available to you is not the same or similar to that available to us;
- iv. ***information provided by RBCDS and any agreement reached*** - it is more likely that you will be placing reliance on us where there are arrangements and agreements in place which state we will provide best execution and indicates or suggest a relationship of reliance.

We do not guarantee that we will be able to achieve best execution for every transaction received from you, however, in all cases we will comply with the Policy.



## 5.0 WHEN DOES THE BEST EXECUTION OBLIGATION NOT APPLY?

The best execution obligation will not apply in circumstances in which we are transacting with you as counterparty on the basis of a own account risk price and you do not place legitimate reliance on us to protect your interest in relation to the Execution Factors relevant to that transaction (taking into account the “four-fold test” outlined above). This does not apply to retail clients and therefore best execution will always apply.

## 6.0 SPECIFIC INSTRUCTIONS FROM CLIENTS

Where you provide us with a specific instruction in relation to one or more Execution Factors, we will execute the order in accordance with those instructions so far as reasonably possible while maintaining adherence with respect to applicable market conduct and business conduct regulatory requirements. Where your instructions relate to only part of the order, in following those instructions we will be deemed to have taken all reasonable steps to provide best execution in respect of that part of the order. In respect of those aspects of the order not covered by your specific instructions, we will apply the Policy accordingly.

Please be advised that where you provide us with a specific instruction this may prevent us from taking some or all of the steps in the Policy that are designed to obtain the best possible result for the execution of your orders in respect of the elements covered by those instructions.

## 7.0 APPLICATION OF BEST EXECUTION ACROSS CLASSES OF INSTRUMENTS

While the obligation to deliver best execution applies to all financial instruments, the differences in market structures or the structure of financial instruments means that it is necessary to apply the best execution obligations in a manner that takes into account the different circumstances associated with the execution of orders related to particular types of financial instruments.

Determining the relative importance of the Execution Factors is a dynamic process and may depend upon several variables and characteristics. In determining the relative importance of the Execution Factors we will apply our commercial judgement and expertise, in light of the prevailing market conditions, as well as taking into account:

- your characteristics;
- the characteristics of your transaction;
- the characteristics of the financial instruments that are the subject of your transaction; and
- the characteristics of the execution venues to which your transaction can be directed.

In many circumstances price will merit a high relative importance in obtaining best execution. However, in some circumstances we may judge that other Execution Factors will be more important than price in obtaining the best possible result for you.

Additional guidance in relation to the following classes of financial instruments is set out in the ANNEX 1:

- Equities;
- Structured Products; and
- Exchange Traded Derivatives.

## **8.0 EXECUTION VENUES AND BROKERS**

In respect of each class of securities, ANNEX 1.1 lists those execution venues that should enable us to obtain on a consistent basis the best possible result for the execution of your transactions. This list may, from time to time, be updated and any new venue will be selected in accordance with the Policy and could include: regulated markets, multi-lateral trading facilities, crossing systems/dark venues, market makers and other liquidity providers.

The factors that have been considered in determining the attached list of execution venues may include the depth of liquidity a particular venue is able to offer, the likelihood of execution, speed of execution, reliability and system availability, historical trading activity and the robustness of the clearing arrangements.

In Canada, RBC DS executes transactions on exchange's and marketplace's that it may be a member of, and/or have an ownership interest. RBC DS may be a market maker, or otherwise act as principal, on various equity and option exchanges to which we route customer orders. RBCDS may trade with customer orders on these Canadian venues.

Transactions executed in the US or on a non-Canadian marketplace will be handled by another broker which could include an RBCDS affiliate. In such cases, these orders will be required to be executed in accordance with the local rules and regulations and could result in the executing broker applying different criteria on the assessment on execution quality. The executing broker (i.e. RBCDS affiliate or other) in this case may have acted as principal or agent and as a result derived compensation from the transaction. Additional information is available upon written request.

RBCDS will not structure or charge commissions in a way as to discriminate unfairly between execution venues.

## **9.0 MATTERS OUTSIDE OF THE CONTROL OF THE PARTICIPANT**

In certain cases, a result of system failures, disrupted markets or otherwise, it may be necessary to execute your orders in a different manner to that documented in the Policy for the securities in question.

In such circumstances we will still seek to achieve the best possible result available for you in the prevailing circumstances.

## **10.0 GOVERNANCE & OVERSIGHT**

### *Best Execution Committee*

RBCDS Best Execution Committee (the "Committee") has oversight for this policy.



### *Monitoring*

RBCDS monitors best execution arrangements on an ongoing basis to identify and implement any appropriate enhancements. This would include reviewing the order handling policy of our affiliates and/or any other broker dealers we route client orders to ensure order handling conducted by affiliate and/or 3<sup>rd</sup> party brokers best align with RBC DS expectations respecting best execution.

RBCDS evaluates, on a risk basis, transactions in Relevant Orders to which the Best Execution Obligation applies for best execution and compliance with this policy through post-execution benchmarking and analysis.

The Committee receives reports relating to the monitoring program and will consider whether enhancements to this policy and/or best execution arrangements are required.

### *Conflicts Disclosure*

Canadian provincial and territorial securities laws require securities registered firms such as RBC Dominion Securities Inc. ("RBC DS") and RBC Direct Investing Inc. ("RBC DI") when they trade in or advise with respect to their own securities or securities of certain issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. RBCDS has established procedures that are designed to identify and manage such conflicts of interest.

Please click on the following link for a lists of relationships as well as related and connected issuers of RBC DS or RBC DI: <http://www.rbcds.com/issuers-disclosure/>

#### *(a) Canadian Marketplaces*

The Royal Bank of Canada ("RBC") through its wholly owned subsidiary RBC Dominion Securities Inc., 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 other applicable regulatory requirements, route your orders to the Aequitas Neo Exchange in the normal course. RBCDS may also act as a designated market maker on Aequitas Neo Exchange. Additionally, as a full-service global financial firm, in the normal course of its operations RBCDS may provide market making services in respect of one or more ETF securities referred to herein.

#### *(b) Order Routing and Treatment of Market Center Fees/Rebates*

RBC Dominion Securities Inc. may from time to time establish order routing arrangements with certain exchanges, broker-dealers and/or other market centers (collectively, "market centers"). 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. 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.

RBC Direct Investing and/or RBC Dominion Securities Inc. may receive payment in the form of cash, rebates and/or credits against fees in return for routing client orders pursuant to these



order routing arrangements. Any remuneration that RBC Direct Investing or RBC Dominion Securities Inc. receives for directing orders to any market center reduces the execution costs for RBC Direct Investing and RBC Dominion Securities and will not accrue to your account.

## **11.0 OWNERSHIP AND RESPONSIBILITY FOR THE POLICY**

The Policy is co-owned by RBCDS Institutional Sales and Trading Management and Capital Markets Compliance, Canada.

The Committee will review this policy at least annually to consider whether this policy and RBCDS's best execution arrangements include all reasonable steps to obtain the best possible result for the execution of Relevant Orders. Specifically, it will review:

- whether to exclude or to include additional or different execution venues;
- whether to assign different relative importance to the Execution Factors; and
- whether to modify any other aspects of this policy and/or the best execution arrangements.

The Committee will also conduct a review whenever a material change occurs that could affect RBCDS's ability to comply with the Best Execution Obligation. What is material will depend on the nature and scope of any change.

## **12.0 POLICY REVIEW**

RBCDS conducts an annual review of the Policy, as well as our order execution arrangements. The objective of this review is to assess whether there is any scope to improve the quality of the order execution delivered to you, by for example, including additional/different execution venues, considering whether the relative importance of the execution factors in different circumstances could be adjusted, or by modifying any other aspects of the Policy.

Such a review will be undertaken on a more frequent basis, if there is a material change that affects our ability to obtain the best possible result for the execution of your orders on a consistent basis using the execution venues listed in ANNEX 2.

## **13.0 FURTHER INFORMATION ON HOW WE HANDLE YOUR ORDERS**

We have further policies and procedures in place to ensure we execute and allocate your orders promptly and fairly, taking into account the need to manage any potential conflicts of interest that may exist between you, ourselves and our other clients.

We will execute your order in line with other comparable client orders sequentially and promptly, unless (i) the characteristics of your order or prevailing market conditions make this impracticable<sup>2</sup>; or (ii) your interests require otherwise.

Where you do not provide specific instructions, we will execute and allocate your order as soon as reasonably practicable, unless we reasonably consider that delaying the execution of your order is in your best interests.



When executing your order we may decide to aggregate your order with a transaction for our own account or that of another client. Such aggregation will be taken, for example, to provide a better price to you or to reduce transaction costs by allowing us to execute in larger size. We will only aggregate your order if it is unlikely that the aggregation will work overall to your disadvantage. Where we are unable to fill an aggregated order in full, we will allocate the executed notional on a fair and equitable basis.

We will endeavor to communicate the order execution and allocation status of your order to you soon as reasonably practicable.

### **Multiple Marketplaces in Canada**

Recognizing that a client's order in a TSX or Aequitas listed security can be executed on number of different Canadian venues. The following is meant to inform clients of conditions and activities that could affect them in this trading environment. RBC DS is committed to use all reasonable efforts to ensure that clients achieve "best execution" of their orders for securities that are quoted or traded on all Canadian marketplaces.

RBCDS follows the following procedures in order to meets its best execution obligations.

#### *Principal Marketplace*

Unless notified otherwise by RBC DS, the Default Marketplace for all securities listed on the TSX, whether or not the security is trading on other alternate marketplaces, will be the TSX.

#### *Smart Order Routing*

Where accessing markets electronically in Canada, RBCDS's routing decisions, including those processed within our algorithms, are made by our proprietary Smart Order Router (SOR) logic.

The primary objective of the SOR is to achieve the best possible outcome for our clients. RBCDS's interactions with execution venues are guided by objectively observed and calculated parameters.

The decision as to which execution venues and price points to target can be taken based upon both the explicit instructions accompanying the relevant order from the client, and the SOR's programmed parameters.

The SOR may potentially break the client orders into smaller sized "child orders" and send them to one or many execution venues, either in parallel or in sequence and will be responsible for determining the precise quantities, limit prices and timing of each child order always respecting the client's original instructions. Best execution obligations will be applicable on the child orders as well as on the overall original client order.

#### *Hours of Operation for trading in Listed Canadian Securities*

RBC DS trading staff and systems will be available for order execution during between 9:30 am ET and 4:00 pm ET ("Hours of Operation"), Monday through Friday, not including statutory holidays in Ontario. Staff may be available outside of Principal Marketplace hours; however, order taking and/or trade execution outside of the Hours of Operation will be treated on a best efforts basis.

### *Standard Handling of Orders*

#### Pre-open

An order received prior to the opening (9:30 AM) will be booked on the principal marketplace for execution on the opening. These orders will not be routed to the alternative marketplace, as not all marketplaces open at the same time. This may influence the price and the volume of an order which is entered for execution in the pre-opening period. For this reason, automated systems may not be relied upon during the pre-opening session to obtain best execution of client's orders, unless otherwise instructed by the client.

#### Post-Opening Market

Unfilled orders are moved to the post opening session of the marketplace where they were originally entered and will remain until the order is filled, expired, changed or cancelled. Order received by RBCDS trading team during the post opening session will be routed using a smart order router which will source out the best available market at the time of receipt of the order. The best market is the market that displays the best bid price and best offer price, offering the best liquidity, and where RBCDS has reasonably determined that the order has the best option for completion.

Changes to an outstanding order, or portion of an outstanding order, will be handled the same as a new order received and will be entered into the "best market" at the time of the change will the unfilled balance being entered on the principal marketplace.

In all efforts of achieving best execution, RBC DS may route client orders resting on an alternative marketplace to the primary marketplace if we feel such actions will increase the likelihood of obtaining an execution on our client orders.

#### After the close – 4pm

An order received after the 4pm may be held and entered the next business day in the pre-opening on the principal marketplace, or may be entered on a marketplace that offers afterhours trading, if requested by the client. These orders will not route to an alternative marketplace.

#### Risk Factors Trading in Extended Hours

Purchases and sales of securities outside of regular trading hours may entail special risks, including the following:

a. Risk of Lower Liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for customers to buy or sell securities, and as a result, customers are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, customer's order may only be partially executed, or not executed at all.

b. Risk of Higher Volatility. Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As



a result, customer's order may only be partially executed, or not at all, or customer may receive an inferior price in extended hours trading than customer would during regular market hours.

c. Risk of Changing Prices. The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours or upon the opening of the next morning. As a result, customer may receive an inferior price in extended hours trading than customer would during regular market hours.

d. Risk of Unlinked Markets. Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, customer may receive an inferior price in one extended hours trading system than customer would in another extended hours trading system.

e. Risk of News Announcements. Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

f. Risk of Wider Spreads. The spread refers to the difference in price between what customer can buy a security for and what customer can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

g. Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during the pre-market and post-market sessions, an investor who is unable to calculate implied values for certain derivative securities products in those sessions may be at a disadvantage to market professionals

### *Order Execution*

Certain types of orders have specific handling implications in a multiple marketplace environment. These have been addressed as follows: DAY ORDERS A Day Order is an order to trade that expires if it is not executed the day that it is booked to the marketplace. Day Orders will be handled in accordance with the "Standard Handling of Orders". All Day Orders expire, if not filled in full, upon the close of the marketplace where the last portion of the order remains live, unless otherwise agreed to between the client and the Firm's representative.

### *Good Til Cancelled (Open) Orders*

Open orders are orders that will remain open for 90 days. These orders will be entered on the TSX if they are not immediately executable on an alternative marketplace at the time of entry. The order will remain booked until executed, cancelled, or upon expiry after 90 days, whichever comes first.



### *Market Orders*

A Market Order is an order to buy or sell a security at whatever prices are available in the marketplace to help ensure a complete and full fill. Upon entry to the marketplace, these orders require immediate completion, unless we reasonably consider that delaying the execution of your order is in your best interests. Market Orders will be handled in accordance with the "Standard Handling of Orders". These orders will expire, if not filled in full, on the marketplace where the last portion of the order remains live, at the close of the marketplace.

### *Limit Orders*

A Limit Order is an order for a security at a specific minimum sale price or maximum purchase price that is not to be exceeded. Limit Orders will be handled in accordance with the "Standard Handling of Orders". The order will expire, if not filled in full, upon the close of the marketplace where the last portion of the order remains live.

### *Special Terms Orders*

Special Terms Orders are orders with specific terms that are not executable in the regular marketplace. Special Terms Orders will only post to the Special Terms Market of the principal marketplace, unless they are immediately executable on an alternative marketplace at the time of entry. Special Terms Orders will expire at the close of the principal marketplace.

### *Stop Loss orders*

Stop Loss Orders are orders that become limit orders when a board lot is traded at, or superior to, the stop loss price on the marketplace in which the order has been booked. These orders will only be directed to the TSX until executed or expiry, whichever comes first.

### *Orders contingent on a complete fill*

In situations where a client provides an order which is contingent either on acquiring a specific minimum volume of securities or a complete fill, RBC DS can accept the order, when agreed upon by your Investment Advisor or authorized representative. Typically these orders will not be immediately entered on a trading facility's or marketplace's central order book but will only be traded when a minimum volume or the entire order can be filled. It should be noted that RBC DS will consider trading opportunities on all trading facilities or marketplaces when filling such orders.

### *Fill or Kill Orders*

RBC DS will accept "fill or kill" orders but will only execute these orders on the understanding that they will execute the fills on the trading facility or marketplace which will provide the best price for our client. All trading facilities and marketplaces will be reviewed for "fill" opportunities before the order will be "killed."

### *Market-on-close Orders*

Currently the TSX is the only marketplace which offers a market-on-close ("MOC") facility. All orders must be entered on the TSX's MOC facility prior to 3:40 pm ET and will be executed at the calculated closing price for that security on the TSX. It should be noted that trading on the MOC facility will be



executed at the same time as other trading facilities or marketplaces will be offering quotes on their visible order book and therefore RBC DS cannot guarantee that the order will be executed at the best price.

#### DISCLOSURE OF MARKETPLACE

An order executed on one or more marketplace or alternative marketplace will be reported to the client using a single confirmation with the marketplace on which the order was filled will be identified by name on the confirmation

### 14.0 CLIENT ENQUIRIES

Should you have any enquiries in relation to this document or the Policy please contact your usual business contact.

#### ANNEX 1 - OVERVIEW OF BEST EXECUTION BY CLASS OF FINANCIAL INSTRUMENT

The following sections provide an overview of when and how we will provide you with best execution across different classes of financial instruments.

Included in each section is a list of the venues that we consider allow us to obtain on a consistent basis the best possible result for you.

Any venue that we use, which is not listed below, will nevertheless be selected in accordance with the Policy.

**Each section provides the general position of RBCCM in relation to each class of financial instrument. Our approach may differ, to that outlined, depending upon the particular circumstances of individual transactions.**

## ANNEX 1.1 - EQUITIES

The types of Equity products traded by us encompass cash equities and exchange-traded funds.

In line with Sections 4.0 and 6.0, where we execute Equity orders (including Limit Orders, Market Orders and At-Close Orders) on your behalf, we will owe a duty of best execution to you unless you have not allowed us any discretion in the execution of those orders. In applying our duty of best execution, we will when executing your orders consider any specific instructions and the relative importance of the Execution Factors in accordance with the Policy.

When determining the relative importance of the Execution Factors in relation to your order, we may utilize our Smart Order Routing System (“SOR”) to initiate a Price-Sensitive strategy (prioritizing Price as an Execution Factor). For EEA and US exchanges and marketplaces in the Policy for which we do not have access to price and volume data, your orders in financial instruments listed on those exchanges may be routed to our affiliate or third party broker, who may also utilize Smart Order Routing technology.

We will owe a duty of best execution in regard to any algorithmic execution functionality we may use in achieving a certain benchmark or execution strategy. If you are provided with access to algorithmic execution functionality, we will satisfy our duty of best execution in so far as we follow any specific instructions provided by you.

If you are provided with Direct Market Access (“DMA”), you will provide specific instructions for all Execution Factors and we will execute these orders accordingly. We will satisfy our best execution obligation by following those instructions.

Generally, where we transact with you as principal on the basis of a published quote, or one provided in response to an RFQ enquiry; we consider that best execution is not owed. Our rationale for this is that such transactions are initiated by you, there is a convention for Clients to “shop around” by approaching several dealers for a quote and a high level of price transparency exists across Equity markets.

In general, we will consider the most important Execution Factors to be Price, Likelihood of execution, and Speed of execution. Where no instructions are provided by you, we will typically use the following order of priority: Price, Likelihood of execution, and Speed of execution.

The list of execution venues that we utilize in respect of Equity products to which we have direct membership or directed access is set out below. Where we do not hold a direct membership, we will execute on an appropriate venue via either RBCCM affiliates or external third party brokers.

| Equities Execution Venue | Region | Equities Product |
|--------------------------|--------|------------------|
| Toronto Stock Exchange   | Canada | Cash Equities    |
| TSX Venture Exchange     | Canada | Cash Equities    |
| CSE                      | Canada | Cash Equities    |
| Liquidnet                | Canada | Cash Equities    |
| Omega                    | Canada | Cash Equities    |
| Nasdaq CXC               | Canada | Cash Equities    |
| Alpha                    | Canada | Cash Equities    |
| Nasdaq CX2               | Canada | Cash Equities    |
| Lynx                     | Canada | Cash Equities    |
| Aequitas NEO             | Canada | Cash Equities    |
| Aequitas Lit             | Canada | Cash Equities    |
| Canadian Unlisted Board  | Canada | Cash Equities    |



| <b>Dark Execution Venues</b>      | <b>Region</b> | <b>Equities Product</b> |
|-----------------------------------|---------------|-------------------------|
| Match Now                         | Canada        | Cash Equities           |
| Nasdaq Chi X Dark                 | Canada        | Cash Equities           |
| Instinet                          | Canada        | Cash Equities           |
| <b>Foreign Brokers/Affiliates</b> | <b>Region</b> | <b>Equities Product</b> |
| RBC Capital Markets, LLC          | US            | Cash Equities           |
| RBC Europe Limited                | UK            | Cash Equities           |
| Virtu Financial                   | US            | Cash Equities           |
| G1X / Susquehanna                 | US            | Cash Equities           |
| Citadel                           | US            | Cash Equities           |
| INTL FC Stone                     | US            | Cash Equities           |
| Cantor Fitzgerald                 | US            | Cash Equities           |
| WEX                               | US            | Cash Equities           |
| Citi Bank                         | US            | Cash Equities           |

## ANNEX 1.2 - STRUCTURED PRODUCTS

The types of Structured products traded by us encompass Structured Notes, Deposits, and bespoke OTC derivatives.

Where we deal with you as issuer and counterpart, we negotiate with you the terms of a transaction for the purposes of structuring a bespoke security that reflects your specific instructions. In these circumstances, we deal with you as principal for our own account in accordance with your specific instructions, and therefore there is generally no expectation that we will be providing best execution. Further, the bespoke nature of the instrument means that it is not likely that there will be any comparable products available.

Where we receive an order from you for a Structured Product during the subscription period, by the timely transmitting of the order, best execution will be achieved as there is only one execution venue available.

Generally, where we transact with you as principal on the basis of a published quote, or one provided in response to an RFQ enquiry; we consider that best execution is not owed. Our rationale for this is that such transactions are initiated by you and there is a convention for Clients to “shop around” by approaching several dealers for a quote. The exception will be scenarios where we are likely to be the sole market maker in the instrument, thus limiting your scope to “shop around”. In these cases, best execution obligations will be owed to you.

With regard to unwinding positions in Structured Products, best execution obligations will be owed as you may be considered to be a “captive client”, i.e. you will not be in a position to “shop around” as you can only unwind your position with us.

In general, we will consider the most important Execution Factors to be Price, Likelihood of execution, and Speed of execution. Where no instructions are provided by you, we will typically use the following order of priority: Price, Likelihood of execution, and Speed.

The list of execution venues that we utilize in respect of Structured Products is set out below.

| Execution Venue     | Product  |
|---------------------|--|
| RBC Capital Markets | Equity Structured Products<br>Fixed Income Structured Products |
| Montreal Exchange   | Equity Options   |



### **ANNEX 1.3 – FIXED INCOME PRODUCTS**

The types of Fixed Income products traded by us encompass cash bonds (including Government, Corporate, Supra-Sovereign and inflation-linked), vanilla OTC derivatives (including interest rate swaps, cross-currency swaps, basis swaps, asset swaps, inflation swaps, Asset-Backed Securities (“ABS”), Residential Mortgage-Backed Securities (“RMBS”), Collateralized Loan Obligations (“CLO”) and Loans.

Where we execute Fixed Income orders (including Limit orders, At-Close orders, Specified price/spread orders, and At-best orders) on your behalf, we will owe a duty of best execution to you unless you have not allowed us any discretion in the execution of those orders.

Generally, where we transact with you as principal on the basis of a published quote, or one provided in response to an RFQ enquiry; we consider that best execution is not owed. Our rationale for this is that such transactions are initiated by you, there is a convention for Clients to “shop around” by approaching several dealers for a quote, and there is also generally a high level of price transparency. In cases where the level of price transparency is limited, for example, with regard to certain OTC derivatives, ABS, and RMBS, we may consider that you place reliance on us and therefore we will owe a duty of best execution.

In general, we will consider the most important Execution Factors to be Price, Size, and Speed of execution. Where no instructions are provided by you, we will typically use the following order of priority: Price, Size, and Speed. RBCCM is required to make reasonable efforts to obtain a price for a client that is fair and reasonable in relation to prevailing market conditions. In order to demonstrate compliance with the fair pricing requirement, the compensation or mark-up/mark-down (i.e., the spread) on a transaction must be reasonable and based on the fair market price of the security.