

Your Account Agreement



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Introduction

Thank you for choosing Royal Mutual Funds Inc.

In this document, *RMFI* means Royal Mutual Funds Inc. *You* and *your* mean the holder or holders of an account with RMFI. The RBC Funds and other mutual funds distributed by RMFI from time to time are referred to as the *Funds* or a *Fund*. *Royal Bank* refers to Royal Bank of Canada. *Royal Trust* refers to Royal Trust Corporation of Canada (or, in Quebec, The Royal Trust Company).

This Agreement explains how your account works. It also tells you about RMFI's policies for conflicts of interest and using information about you.

If you have any questions about this Agreement or your account, please contact your RMFI mutual funds representative or call RMFI's toll-free Customer Service line at 1-800-463-3863.

About RMFI RMFI is a member company of RBC Wealth Management, which is the wealth management division of Royal Bank. RMFI is licensed as a financial services firm in the province of Quebec.

About this agreement

When you sign the RMFI account opening forms, you confirm that the information you have provided is true, complete and accurate and you agree to the terms set out in this Agreement.

The following schedules are included in and form part of this Agreement:

- › *Schedule A – Statement of policies*
- › *Schedule B – Collection and use of information*
- › *Schedule C – Borrowing to buy mutual funds (Leveraging)*
- › *Schedule D – Automated services*
- › *Schedule E – Client complaint information*
- › *Schedule F – RBC Managed Portfolios terms and conditions*

Any schedules RMFI adds in the future will also form part of this Agreement.

This Agreement and the forms you signed are governed by and interpreted according to the laws of the Canadian jurisdiction where you lived when the account was opened. If any part of this Agreement is invalid or cannot be enforced, the rest of this Agreement will remain in full force and effect.

If you die or are declared legally incompetent by a court with the jurisdiction to do so, this Agreement will continue and will be binding on your legal representatives.

If you live in Quebec, you have expressly requested that this Agreement and any other documents relating to it be in English. *Au Québec, les parties conviennent et exigent expressément que ce contrat soit rédigé en anglais.*

Giving notice Any notices you give RMFI or RMFI gives you must be in writing. RMFI will send any notices to you by mail to the last address RMFI has on file for you. If you give RMFI your email address, RMFI may send notices to you electronically.

Notices, confirmations, account statements and other communications RMFI sends you by regular or first class mail are deemed to be given and received on the fifth business day after RMFI mails them.

Any notices, confirmations, account statements and other communications or information RMFI provides you in person, or sends you by fax or electronically, including through an automated service described in *Schedule D – Automated services*, are deemed to be received on the day they are provided or sent to you.

Please send your notices to RMFI to the following address:

Royal Bank
Mutual Funds & Registered Plans
Customer Service
P.O. Box 6001
Montreal, QC H3C 3A9

Your notice to RMFI is effective when RMFI receives it. If RMFI wants you to send your notice to another address, RMFI will tell you in writing.

Assigning the agreement You cannot assign this Agreement to any other party without RMFI's written consent. This Agreement binds you as well as your respective heirs, executors, administrators, successors and any party to whom this Agreement has been properly assigned.

Making amendments RMFI may change any term of this Agreement by giving you at least 30 days' notice in writing. RMFI may notify you through an automated service described in *Schedule D – Automated services*. Your continued use of one or more accounts, an automated service or the



maintenance of any securities held in one or more accounts after the date of any such amendment shall constitute for all purposes your consent to such amendment. No action taken by RMFI, nor any failure to take any action or exercise any right, remedy or power available to RMFI under this Agreement or otherwise shall be deemed to constitute a waiver or other modification of any of RMFI's rights, remedies or powers.

Waiver The waiver of any of RMFI's rights at any point will not prevent RMFI from enforcing those rights at any point in the future.

Ending this Agreement This Agreement will end when:

- › you give RMFI notice in writing and RMFI acknowledges it in writing, which shall not be unreasonably withheld or delayed, or
- › RMFI gives you notice in writing.

About your account

Privacy RMFI is dedicated to protecting your privacy and safeguarding your personal, business, and financial information. No matter how you choose to provide information to RMFI, RMFI uses vigorous safeguards to make sure your personal and financial information is protected.

RMFI may offer you other services based on the information you have provided to RMFI, if they are appropriate.

You acknowledge that you have received Schedule B – Collection and Use of Information and that it is binding upon you.

Account information RMFI may require additional documents if the account is held by a business, partnership, investment club or other entity.

You agree to notify RMFI as soon as possible of any changes to the information you have provided to RMFI, including your name, address, investment objectives and other relevant information. If you do not tell RMFI about a change, statutory obligations relating to unclaimed property in certain Canadian jurisdictions may apply.

Moving outside of Canada If you temporarily or permanently move outside of Canada, RMFI may not be allowed to accept trading instructions from you or do business with you. In some cases, RMFI may have to redeem your investments and close your account.

Fees You agree to pay applicable charges, fees or commissions for operating your account. RMFI may change its charges, fees or commissions by giving you at least 60 days' notice in writing.

Taxes Amounts received from investments are taxable according to applicable tax legislation. You should consult with a professional tax and/or legal advisor on all matters relating to your investments.

Indebtedness If you owe RMFI money, RMFI may apply the credit balance in any of your non-registered accounts against any indebtedness without giving you notice. This means RMFI may transfer any credit or debit balances between this account and other accounts you hold with RMFI in order to offset any indebtedness.

Statements and confirmations RMFI will send you a statement of your account at least annually. The statement includes your account number and other account details, a summary of your Fund investments and the activity in your account during that time period. It may also include your investments with RMFI's affiliates.

RMFI will assume your statements and confirmations are complete and accurate, unless you tell RMFI otherwise within 45 days of deemed receipt of the statement.

RMFI is responsible only for the accuracy of information related to your Fund investments with RMFI and not for any other holdings.

Registered plans The law requires you to provide your social insurance number to open a registered plan.

When you open your plan, it is registered with the Canada Revenue Agency (CRA).

Registered plans are governed by either Declarations of Trust or Plan Agreements. You are responsible for reading the applicable governing document and meeting its terms.

Non-registered accounts If you hold units of a Fund in a non-registered account, you have to include in your annual income any income and capital gains from your investments. Different kinds of income are taxed at different rates.

Joint accounts (applies only to non-registered and RESP accounts)

If the account is designated, "Any One to Sign," RMFI may accept instructions for the account from any of the accountholders without notifying any of the other accountholders. This means that RMFI 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. RMFI may accept these instructions without verifying them, including instructions given through the Royal Direct Investments service and Royal Bank's Online Banking.

If the account is designated, "All to Sign," RMFI may only accept instructions for the account if each accountholder authorizes them.

Each accountholder is jointly and severally (in Quebec, solidarily) liable for all of the account's debts, obligations and liabilities, including paying fees and charges.

If one of the accountholders dies, the surviving accountholders must immediately notify RMFI in writing. Until RMFI receives this notice, RMFI may carry out orders and treat the account as though all accountholders were living. Before or after RMFI receives this notice, RMFI may:

- › ask you for certain documents
- › restrict trading in the account
- › take any other steps RMFI determines are necessary.

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 RMFI receives 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 continue to apply to the account.

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

Informal trust accounts An informal trust account is registered in your name (the trustee) on behalf of another person (the beneficiary). The beneficiary is the beneficial owner of the trust. The trustee is responsible for making sure that all investment income and capital gains are properly reported according to the attribution rules in the *Income Tax Act* (Canada). If you have questions about the requirements for reporting investment income, you should contact your local CRA Taxation office or your own personal tax advisor.

Trading authorization You can give another person, such as your spouse, other relative or friend, authorization to buy, switch and redeem units in your account by completing an *RMFI Trading Authorization* form.

RMFI does not allow this person to transfer money from your account to him or herself. RMFI will transfer the proceeds of any redemption to your bank account, unless RMFI receives other instructions from you. You assume the risk on all transactions involving a power of attorney or an RMFI trading authorization on your account. You agree to indemnify RMFI, its affiliates and their directors, officers and employees from all costs, damages and losses, including legal costs incurred from a transaction involving a power of attorney or from a trading authorization on your account. This trading authorization will no longer be valid upon your death or incapacity.

Indemnity and liability RMFI or any of RMFI's affiliates are not liable for any losses in your account as a result of:

- › trading in securities
- › delays in receiving or processing trading instructions
- › 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, periods of abnormal or unusual market activity, wars, strikes or any other events beyond RMFI's control.

Purchases, switches and redemptions

How to buy, switch and redeem Depending on the type of account that you have with RMFI, you can buy, switch and redeem units of the Funds and, depending on the type of account that you have with RMFI, you can buy, switch and redeem GICs, in the following ways:

- ▶ by visiting your Royal Bank branch.
- ▶ by visiting another Royal Bank branch. You need to have a client card and the terms of your client card agreement apply.
- ▶ by meeting with a mutual funds representative at a location that is convenient for you.
- ▶ by calling the Royal Direct Investments service.
- ▶ through the Internet using Royal Bank's Online Banking.

Please speak to a registered mutual funds representative to find out which options are available to you.

In some cases, RMFI may, at its sole discretion, allow you to place orders by telephone, fax or e-mail, other than the ways listed above. Before RMFI does this, RMFI may require additional verification of your identity and may require that your instructions be further confirmed in writing.

RMFI may record any of your communications with RMFI. *The terms set out in Schedule D – Automated Services apply to transactions made by Royal Direct Investments and Royal Bank's Online Banking.*

Suitability RMFI will assess the suitability of your transactions based on the information that you have provided to us upon account opening and updated with us periodically including, but not limited to, your investment objective(s), your time horizon and your risk tolerance. This assessment takes into consideration all of the investments held in your account and consequently you may hold mutual funds with a stated risk tolerance that is above the risk tolerance that you have provided to us for the overall investments in your account.

Refusing orders RMFI may refuse all or part of any order to buy or switch units. RMFI must do so within one business day from the time RMFI receives the order. If RMFI refuses your order to buy, RMFI will immediately return any money it received for that order or part order.

Excessive trading RMFI may refuse your order to buy or switch units or any future orders if RMFI determines that you are trading excessively.

Purchases You can pay for a purchase by telling RMFI to transfer money from your bank account. You can give RMFI your instructions verbally, electronically or in writing. You must designate the bank account in writing before RMFI can do this. If your bank account is at a financial institution other than Royal Bank or Royal Trust, you also need to give RMFI a void cheque for the account.

Minimum amounts Some of the Funds have minimum purchase amounts. You will find details in the simplified prospectus that applies to the Fund.

RMFI may be required by RBC Asset Management Inc., or other Fund companies, to set a minimum balance in relation to certain Funds. You will find details in the simplified prospectus that applies to the Fund. If your balance falls below the minimum, RMFI may be required to redeem all of your units and close your account.

Insufficient funds If your cheque is returned because there is not enough money in your bank account, RMFI will cancel your order and redeem the units, including any units you bought through a switch. If RMFI redeems the units for more than the value they were issued for, the difference will go to the Fund. If RMFI redeems the units for less than the value they were issued for, RMFI will pay the difference to the Fund and collect this amount plus the costs of doing so from you.

Loans If you take out a loan from Royal Bank or another provider to buy units of the Funds, you must repay it in full even if the market value of the units you bought has fallen. RMFI has provided you with a document about the risks involved in purchasing securities such as Funds using borrowed money. This document is included in this Agreement as *Schedule C – Borrowing to buy mutual funds (Leveraging)*.

Pre-authorized investment plan Our pre-authorized payment plan lets you buy Fund units on a regular basis. You will find details about the minimum initial investments and additional investments in the simplified prospectus that applies to the Fund.

RMFI will send you a confirmation only for the first purchase made under the plan. You are responsible for notifying RMFI of any errors within 45 days of the date printed on it.

You can make changes to or cancel the plan by giving RMFI at least four business days' notice in writing or by calling the Royal Direct Investments service.

If your payment is returned because there is not enough money in your bank account, RMFI will cancel your order and redeem the units. If RMFI redeems the units for more than the value they were issued for, the difference will go to the Fund. If RMFI redeems the units for less than the value they were issued for, RMFI will pay the difference to the Fund and collect this amount plus the costs of doing so from you.

Systematic withdrawal plan Our systematic withdrawal plan lets you receive monthly, quarterly or semi-annual payments from your account. You will find details about the minimum withdrawal amount and minimum balance you have to keep in your account in the simplified prospectus that applies to the Fund.

If you withdraw more than your investment is earning, you will reduce and eventually use up your original investment.

Distributions Distributions on units held in registered plans offered through Royal Bank or Royal Trust are always reinvested in additional units of the same Fund. You can choose to have distributions on units held in non-registered accounts reinvested in additional units of the same Fund or you can receive them in cash. You can choose to receive cash distributions by deposit to your bank account or by cheque. RMFI is authorized to reverse or modify any cash distribution payment made to your bank account in order to correct any error in such payment.

Distributions are reinvested at the net asset value at the close of business on the day the distribution is paid. Reinvested distributions are treated as purchases by you and are subject to this Agreement. There is no charge for reinvesting distributions.

Schedule A – Statement of Policies

Conflicts of interest Many of our registered mutual funds representatives – including those at Royal Bank branches and at the Royal Direct Investments service – are dually employed by RMFI and either Royal Bank or Royal Trust. When any of our mutual funds representatives are involved in any Fund-related discussions or activity, RMFI considers them to be acting on behalf of RMFI. Any activities related to a mutual funds representative's other employment, including at Royal Bank or Royal Trust, or other activities unrelated to RMFI, are not the responsibility nor the business of RMFI.

RMFI has established policies to prevent conflicts of interest when its mutual funds representatives sell Funds. RMFI has adopted RBC's *Our Code of Conduct* which clearly outlines that mutual funds representatives are to avoid any situation in which their personal interests conflict or appear to conflict with their duties as a mutual funds representative. The guiding policy when conflicts of interest arise is that the client's interest is paramount.

Royal Bank Holdings Inc. (RBHI), a wholly-owned subsidiary of Royal Bank, is the owner of 100% of all outstanding shares of RMFI. RMFI is a separate corporate entity from RBHI and Royal Bank. Royal Bank is a reporting issuer under applicable securities laws and is a related issuer of RMFI.

Royal Bank is also the principal shareholder of the following registrants: RBC Dominion Securities Inc. (RBC DS), RBC Direct Investing Inc. (RBC DI), Commission Direct Inc., RBC Phillips, Hager & North Investment Counsel Inc. (RBC PH&N IC), RBC Asset Management Inc., RBC Global Asset Management (U.S.) Inc., RBC Capital Markets Corporation, Phillips, Hager & North Investment Management Ltd., Phillips, Hager & North Investment Funds Ltd., Phillips, Hager & North Investment Management Limited Partnership, BonaVista Asset Management Inc. and RBC Securities Australia Pty Limited. In addition, RBC holds a non-controlling interest in Sky Investment Counsel Inc. Certain directors and officers of RMFI are also directors and officers of one or more of the above affiliates.

RMFI may receive from or provide to Royal Bank and its subsidiaries, management, administrative, referral and/or other services relating to ongoing business activities or transactions. Certain legislative and

industry regulatory requirements apply to these relationships. These requirements impose restrictions on dealings between related registered companies and are intended to minimize the potential for conflicts. RMFI has adopted internal policies and procedures in addition to these requirements, including policies on confidentiality of information.

Related and connected issuers The securities legislation of certain jurisdictions in Canada requires securities dealers and advisors, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only after disclosing to their customers or clients relevant relationships and connections with the issuers of the securities.

An issuer of securities is “related” to RMFI if, through the ownership of, or direction or control over voting securities, RMFI exercises a controlling influence over that issuer, or that issuer exercises a controlling influence over RMFI, or the same third party exercises a controlling influence over both RMFI and the issuer. An issuer is “connected” to RMFI if due to indebtedness or other relationships a prospective purchaser of securities of the connected issuer might question RMFI’s independence from the issuer.

From time to time, your RMFI mutual funds representative may recommend the securities of certain issuers that are related or connected to RMFI, including funds managed by Philips, Hager & North Investment Management Ltd. and RBC Asset Management Inc.

Compliance Compliance officers oversee the distribution of the Funds. RMFI follows the policies and procedures developed by the Mutual Fund Dealers Association of Canada and provincial securities laws.

Anti-money laundering policies RMFI employees follow RBC policies to make sure that money RMFI accepts from clients is from a legitimate source.

Lending practices Loans offered by Royal Bank or Royal Trust are never conditional on buying Funds. In most instances, RMFI’s mutual funds representatives will not approve a loan to their Fund clients. In the event that a mutual funds representative approves a loan or personal line of credit to a client and undertakes to simultaneously sell the customer Funds or is aware that this client intends to purchase Funds in the near future, the approval of the lending officer or branch manager will be required for the loan or line of credit. This approval will be based on the best interests of the client.

Referral fees and rewards Our mutual funds representatives may receive compensation in the form of referral fees from RBC companies, including RBC PH&N IC, Royal Bank, Royal Trust, RBC Life, RBC DS and RBC DI. This compensation is based on recommending or selling products or services offered by RMFI or RBC companies and is either a fixed amount or is based on a percentage of the value of such product or service. RMFI and each RBC company are separate, affiliated corporations.

It is illegal for anyone receiving a referral fee to trade in or advise on securities if that person is not licensed or registered to do so under applicable securities legislation.

From time to time, modest rewards are offered to mutual funds representatives. These rewards are not designed to offer a substantial incentive to mutual funds representatives to sell Funds over the other alternative investment products.

Schedule B – Collection and use of information

This schedule outlines how RMFI collects and uses financially related information about you. It is also RMFI’s notice in writing that RMFI may obtain this information about you.

Collecting your personal information RMFI may from time to time collect financial and other information about you such as:

- › *information establishing your identity (for example, name, address, phone number, date of birth, etc.) and your personal background;*
- › *information related to transactions arising from your relationship with and through RMFI, and from other financial institutions;*
- › *information you provide on an application for any of RMFI’s products and services;*
- › *information for the provision of products and services;*

› *information about financial behaviour such as your payment history.*

RMFI may collect and confirm this information during the course of RMFI’s relationship with you. RMFI may obtain this information from a variety of sources, including from you, from service arrangements you make with or through RMFI, from other financial institutions, from registries, from references you provide to RMFI and from other sources, as is necessary for the provision of RMFI products and services.

Using your personal information This information may be used from time to time for the following purposes:

- › *to verify your identity and investigate your personal background;*
- › *to open and operate your account(s) and provide you with products and services you may request;*
- › *to better understand your financial situation;*
- › *to determine your eligibility for products and services RMFI offers;*
- › *to help RMFI better understand the current and future needs of its clients;*
- › *to communicate to you any benefit, feature and other information about products and services you have with RMFI;*
- › *to help RMFI better manage its business and your relationship with RMFI; and*
- › *as required or permitted by law.*

For these purposes, RMFI may:

- › *make this information available to its employees, its agents and service providers, who are required to maintain the confidentiality of this information;*
- › *share this information with other financial institutions.*

In the event our service provider is 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.

Upon your request, RMFI may give this information to other persons.

RMFI may also use this information and share it with RBC companies (i) to manage RMFI risks and operations and those of RBC companies, (ii) to comply with valid requests for information about you from regulators and other persons who have a right to issue such requests, and (iii) to let RBC companies know your choices under “Other uses of your personal information” for the sole purpose of honouring your choices.

If RMFI has your social insurance number, RMFI may use it for tax-related purposes, if you hold a product generating income, and share it with the appropriate government agencies as an aid to identify you.

Other uses of your personal information

- › *RMFI may use this information to promote its products and services, and promote products and services of third parties RMFI selects, which may be of interest to you. RMFI may communicate with you through various channels, including telephone, computer or mail, using the contact information you have provided.*
- › *RMFI may also, where not prohibited by law, share this information with RBC companies for the purpose of referring you to them or promoting to you products and services which may be of interest to you. RMFI 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 RMFI of those products or services provided.*
- › *If you also deal with RBC companies, RMFI may, where not prohibited by law, consolidate this information with information they have about you to allow RMFI and any of them to manage your relationship with RBC companies and RMFI business.*

You understand that RMFI and each RBC company are separate, affiliated corporations. Other RBC companies include RMFI’s affiliates which are engaged in the business of providing any one or more of the following services to the public: deposits, loans and other personal financial services; credit, charge and payment card services; trust and custodial services; securities and brokerage services; and insurance services.

You may choose not to have this information shared or used for any of these other uses by contacting RMFI as set out below, and in this event, you will not be refused credit or other services just for that reason. RMFI will respect your choices and as mentioned above, your choices will be communicated to RBC companies for the sole purpose of honouring your choices regarding “Other uses of your personal information.”

Your right to access your personal information You may obtain access to the information RMFI holds 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 privacy policies adhered to by RMFI or to request that the information not be used for any or all of the purposes outlined in “*Other uses of your personal information*” you may do so now or at any time in the future by:

- › *contacting your branch; or*
- › *calling toll free at 1-800-463-3863.*

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.

Schedule C – Borrowing to buy mutual funds (Leveraging)

Risk of borrowing to invest Here are some risks and factors that you should consider before borrowing to invest:

Is it Right for You?

- › *Borrowing money to invest is risky. You should only consider borrowing to invest if:*
 - *You are comfortable with taking risk.*
 - *You are comfortable taking on debt to buy investments that may go up or down in value.*
 - *You are investing for the long-term.*
 - *You have a stable income.*
- › *You should not borrow to invest if:*
 - *You have a low tolerance for risk.*
 - *You are investing for a short period of time.*
 - *You intend to rely on income from the investments to pay living expenses.*
 - *You intend to rely on income from the investments to repay the loan. If this income stops or decreases you may not be able to pay back the loan.*

You Can End Up Losing Money

- › *If the investments go down in value and you have borrowed money, your losses would be larger than had you invested using your own money.*
- › *Whether your investments make money or not you will still have to pay back the loan plus interest. You may have to sell other assets or use money you had set aside for other purposes to pay back the loan.*
- › *If you used your home as security for the loan, you may lose your home.*
- › *If the investments go up in value, you may still not make enough money to cover the costs of borrowing.*

Tax Considerations

- › *You should not borrow to invest just to receive a tax deduction.*
- › *Interest costs are not always tax deductible. You may not be entitled to a tax deduction and may be reassessed for past deductions. You may want to consult a tax professional to determine whether your interest costs will be deductible before borrowing to invest.*

Your advisor should discuss with you the risks of borrowing to invest.

Schedule D – Automated services

By using any of RMFI’s automated services described in this schedule, you agree to the terms and conditions set out below. These terms are in addition to and are not a substitute for any other terms in this Agreement and do not replace any other agreement you have with a RBC company (now or in the future) for any other product or service, including any consent, authorization or preference you have given or may give to us regarding the collection, use and disclosure of your personal information (“Other Agreement”). The Other Agreement still applies, including to any applicable product or service. You also agree to comply with all instructions RMFI may give you in connection with accessing and using the Services.

In this schedule, an automated service means any service that allows you to access your account, information or other services RMFI provides

by regular or automated telephone communications, cellular or portable phone, fax machine, personal computer, television, modem or other similar devices. Information refers to any information you receive or provide through an automated service, including orders you place.

The terms, rules, procedures, fees and charges set out in any written or computer-generated instructions, software, manuals, fee schedule or other documents RMFI provides to you relating to RMFI’s automated services form part of this schedule.

Passwords Your password is the personal password or passwords you have chosen or RMFI has provided to you. Your password lets you access your account, place orders and receive information through RMFI’s 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 using your password, maintaining the security of your password and making sure that only you use it.

RMFI is not responsible for any unauthorized use of an automated service by any other person.

Software The software, including the technology, information and related documents, RMFI provides for you to use the automated services belongs to RMFI affiliates or RMFI. 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 RMFI promptly if RMFI asks you to.

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, unless RMFI allows it.

RMFI reserves the right to support only the most current release of any computer software or related documents it provides to you relating to the use of any of RMFI’s automated services. If you do not accept any software upgrades RMFI provides to you, RMFI may cancel any or all of your automated services without giving you notice.

Accessing RMFI’s services You may not:

- › *enter restricted areas of any of RMFI’s computer or telecommunications systems or of any of RMFI’s affiliates*
- › *perform any functions that are not authorized under this Agreement.*

RMFI may:

- › *suspend your access to an automated service without giving you notice if RMFI believes that you are using it to gain unauthorized access to systems or information or are using it inappropriately. RMFI may restore your access after it reviews the situation.*
- › *cancel your access without giving you notice if RMFI believes that you are using your password, an automated service or information in an unauthorized or inappropriate manner or if there is unusual activity in or relating to your account.*

Account aggregation You acknowledge that you will be able to view your RMFI account balances in your Bank Account Balances page of the Royal Bank’s Online Banking service and that you will be able to sign in once to access both your Royal Bank account(s) and your RMFI account(s) in the same online session.

Placing orders You authorize RMFI to act on all instructions from you or on your behalf, for all orders placed for your account through any automated service. This includes instructions that are said to be from you or on your behalf.

You are responsible for making sure that:

- › *RMFI has received your order*
- › *any instructions given for your account or related to an automated service are accurate.*

RMFI will verify and approve all orders. RMFI will process an order only if:

- › *your account is in good order*
- › *you have enough funds to complete the request, and*
- › *the request is appropriate for your stated objectives and trading practices.*

RMFI may require you to confirm the order. RMFI may maintain a database

or use another method to keep a record of all your instructions using the automated services.

Recording telephone conversations RMFI may record any telephone conversations between you, your agents or attorneys and RMFI. RMFI may use these recordings to:

- › confirm your instructions
- › evaluate the quality of RMFI's service
- › make sure RMFI is complying with its policies.

RMFI will:

- › make sure the recordings are secure
- › only allow authorized people to access the recordings for authorized reasons or if required by law
- › periodically destroy the recordings.

Using information An information provider is any company or person who directly or indirectly provides RMFI with information. This includes securities and market data from stock exchanges and other securities markets.

The information RMFI provides through its automated services:

- › has been independently obtained from information providers through sources RMFI believes 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 RMFI's written consent.

The information may include views, opinions and recommendations of individuals or organizations that may be of general interest to account-holders. The information providers and RMFI do not:

- › endorse any of these views or opinions
- › guarantee that this information is accurate, complete, timely or in the correct order.

Service modifications and interruptions RMFI may modify any or all of RMFI's automated services without giving notice to you. Any of RMFI's automated services may periodically be unavailable because of maintenance, updates or other reasonable causes, including during periods of increased market activity.

Fees and expenses You will pay any charges, fees and commissions for accessing and using RMFI's automated services. RMFI may change these charges, fees and commissions by giving you at least 60 days' notice in writing, including through an automated service.

Liability RMFI is not liable:

- › to you or any other person for any damages, losses, costs or failure to realize expected savings as a result of the use of RMFI's automated services or a device to access RMFI's automated services
- › for acting or not acting as a result of an error in your order or RMFI not receiving it.

Neither RMFI nor its affiliates is responsible for any losses, damages or personal injury that any person suffers as a result of:

- › your use of any computer or device to access the automated services
- › the use or performance of any software RMFI provides.

The information providers and RMFI 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 RMFI's automated services
- › for any interruption of any data, information or other aspect of the automated services as a result of any negligent act, omission or other cause beyond the reasonable control of the information provider or RMFI. This includes communications or power failures and equipment or software malfunctions.

Ending automated services You can cancel an automated service by giving RMFI 30 days' notice in writing.

RMFI may cancel any of its automated services without giving you notice.

When this Agreement ends, any automated services provided to you will also end.

Schedule E – Client complaint information

RMFI's client complaint examination and resolution policy The following is an overview of RMFI's client complaint examination and resolution policy:

- › It is important that you inform us of any problem that you have with respect to the service or conduct of our representatives so that we can resolve your issue and retain your confidence. We use your feedback to continuously improve the quality of the products and services that we provide to you and other customers. In addition, it is important to us to implement policies that will treat all clients in an equitable and fair manner.
- › While we do accept verbal complaints, we recommend that client complaints be put into writing. You may submit verbal or written complaints (by mail, fax or e-mail) to your RMFI mutual funds representative or to the Branch Manager that supervises such individual. If your complaint is incomplete or if information is missing, we will request that you submit supplemental information to us.
- › All client complaints are promptly recorded onto RMFI's client complaint register.
- › Within five business days of receiving your complaint, an initial acknowledgement letter and an overview of our client complaint examination and resolution policy will be sent to you.
- › We review all complaints fairly, taking into account all relevant documents and statements obtained from you, our records, our representatives, other staff members and any other source.
- › Generally, the Branch Manager will investigate and respond in writing to client complaints. The Regional Compliance Officer is ultimately responsible for managing the client complaint process.
- › We will respond to your complaint as soon as possible, however, our complaint examination process may take up to 3 months depending on the complexity of the matter. You will be provided with a status update if your complaint is going to take us longer than 3 months to respond to.
- › Our response may be an offer to resolve your complaint, a denial of the complaint with reasons or another appropriate response.
- › When requested by a client in Quebec within the prescribed time period, our client complaint file will be sent to the Autorité des marchés financiers (AMF).
- › After you have received RMFI's final response, you may also choose to address your complaint to the RBC Ombudsman or to the Ombudsman for Banking Services and Investments (OBSI) (which will consider complaints brought to it within 6 months of the date of the final response), in either case a copy of your client complaint file will be sent to the RBC Ombudsman or the OBSI.
- › The Regional Compliance Officer will report client complaint data to the regulators as required.

For more information about RMFI's complaint handling process, please email us at funds@rbc.com.

Mutual Fund Dealers Association of Canada – Client complaint information form (CCIF) Clients of a mutual fund dealer who are not satisfied with a financial product or service have a right to make a complaint and to seek resolution of the problem. MFDA Member dealers have a responsibility to their clients to ensure that all complaints are dealt with fairly and promptly. If you have a complaint, these are some of the steps you can take:

- › Contact your mutual fund dealer. Member firms are responsible to you, the investor, for monitoring the actions of their representatives to ensure that they are in compliance with by-laws, rules and policies governing their activities. The firm will investigate any complaint that you initiate and respond back to you with the results of their investigation within the time period expected of a Member acting diligently in the circumstances, in most cases within three months of receipt of the complaint. It is helpful if your complaint is in writing.
- › Contact the Mutual Fund Dealers Association of Canada (MFDA), which is the self-regulatory organization in Canada to which your mutual

fund dealer belongs. The MFDA investigates complaints about mutual fund dealers and their representatives, and takes enforcement action where appropriate. You may make a complaint to the MFDA at any time, whether or not you have complained to your mutual fund dealer. The MFDA can be contacted:

- By completing the on-line complaint form at www.mfda.ca
- By telephone in Toronto at (416) 361-6332, or toll free at 1-888-466-6332
- By e-mail at complaints@mfda.ca (Note: You may wish to consider issues of internet security when sending sensitive information by standard e-mail.)
- In writing by mail to 121 King Street West, Suite 1000, Toronto, ON M5H 3T9 or by fax at (416) 361-9073

Compensation:

The MFDA does not order compensation or restitution to clients of Members. The MFDA exists to regulate the operations, standards of practice and business conduct of its Members and their representatives with a mandate to enhance investor protection and strengthen public confidence in the Canadian mutual fund industry. If you are seeking compensation, you may consider the following:

› **Ombudsman for Banking Services and Investments (OBSI):** After the dealer's Compliance Department has responded to your complaint, you may contact OBSI. You may also contact OBSI if the dealer's Compliance Department has not responded within 90 days of the date you complained. OBSI provides an independent and impartial process for the investigation and resolution of complaints about the provision of financial services to clients. OBSI can make a non-binding recommendation that your firm compensate you (up to \$350,000) if it determines that you have been treated unfairly, taking into account the criteria of good financial services and business practice, relevant codes of practice or conduct, industry regulation and the law. The OBSI process is free of charge and is confidential. OBSI can be contacted:

- By telephone in Toronto at (416) 287-2877, or toll free at 1-888-451-4519
- By e-mail at ombudsman@obsi.ca

› **Legal Assistance:** You may consider retaining a lawyer to assist with the complaint. You should be aware that there are legal time limits for taking civil 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.

› **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 province pay compensation to a claimant. The claimant is then able to enforce such an order as if it were a judgment of the superior court in that province. For more information, please visit:

Manitoba: www.msc.gov.mb.ca

New Brunswick: www.nbsc-cvmnb.ca

Saskatchewan: www.sfsc.gov.sk.ca

› **Québec:** The *Autorité des marchés financiers (AMF)* pays indemnities to victims of fraud, fraudulent tactics or embezzlement where those responsible are individuals or firms authorized to practice under the legislation governing the provision of financial services in Québec. It also rules on the eligibility of claims and sets the amount of the indemnities to be paid to victims. Consumers can thus be compensated to a maximum of \$200,000 per claim, through funds accumulated in a financial services compensation fund. For more information, please visit www.lautorite.qc.ca.

Schedule F – RBC Managed Portfolios Terms and Conditions

Defined Terms In this Schedule F, capitalized terms have the same meaning as defined in the Account Agreement unless otherwise defined below:

“Agreement” means the Account Agreement provided to you by RMFI including any schedules attached to it and including this Schedule F.

“Investment Profile” or **“Profile”** means one of the distinct investment Profiles under the RBC Managed Portfolios.

“RBC AM” means RBC Asset Management Inc., an affiliate of RMFI.

“RBC Managed Portfolios” or **“RBC Managed Portfolios Program”** means the portfolio service distributed by RMFI as more specifically described below.

“RBC Managed Portfolios Account” or **“Account”** means the account(s) established pursuant to this Schedule F.

About RBC Managed Portfolios RBC AM has developed a number of Investment Profiles for distribution by RMFI under the RBC Managed Portfolios Program. RBC Managed Portfolios are only available through RMFI.

Each Investment Profile has been targeted for clients having a particular investment objective and risk tolerance. Each Profile is made up exclusively of mutual funds (the “Funds”) qualified under a simplified prospectus.

Each Investment Profile outlines a number of asset classes and a minimum and maximum percentage range within which each particular asset class will be invested. Pursuant to an agreement with RMFI, RBC AM will manage the Investment Profiles and has the authority to adjust the composition of each asset class within the specified percentage ranges. The asset classes within each Investment Profile and the minimum and maximum percentages for each asset class cannot be changed without your approval.

In managing the investments in the Investment Profile, RBC AM will determine, from time to time:

1. the appropriate target weight for each asset class;
2. which Funds to invest in; and
3. the appropriate target weight for each selected Fund.

Each Investment Profile may only invest in Funds or cash and cash equivalents.

The investments in each RBC Managed Portfolios Account will be periodically rebalanced by RBC AM in accordance with the selected Investment Profile. Rebalancing may result in the sale and purchase of Funds. This may result in tax liabilities that you will be responsible for if the Investment Profile is held outside a registered plan.

Neither RMFI, RBC AM nor any of their affiliates guarantee investment results and past performance may not be repeated.

About the RBC Managed Portfolios Process You select the appropriate Investment Profile based on your investment objectives after consultation with your RMFI mutual funds representative.

Your RMFI mutual funds representative will provide you with a description of your selected Investment Profile. It includes the investment objective and investment strategies for that Investment Profile and a table showing the minimum and maximum percentage ranges for each asset class in which RBC AM may invest your monies under the Profile.

You may change your selected Investment Profile, upon consultation with RMFI, as you deem necessary or desirable based on changes in your financial situation and/or personal circumstances.

All transactions and queries related to your RBC Managed Portfolios Account should be directed to your RMFI mutual funds representative.

The RBC Managed Portfolios Account is not a discretionary account and no discretionary authority will be accepted by RMFI or RBC AM with respect to your RBC Managed Portfolios Account.

Your Acknowledgements and Responsibilities

You acknowledge and confirm the following:

- › you have received a copy of a document describing your selected Investment Profile;
- › you have received or will be provided with a copy of the simplified prospectus of the Funds in which your selected Investment Profile is to invest;
- › you will not receive trade confirmations in respect of trading activities within your RBC Managed Portfolios Account but you will be sent quarterly statements. The statement includes a summary of holdings and the activity in your Account during the previous quarter;

- › you have provided accurate and complete information to your RMFI mutual funds representative to assess the appropriateness of the Investment Profile;
- › RMFI will assist you in selecting your Investment Profile and RBC AM is not responsible for confirming the suitability of your Investment Profile;
- › participating in the RBC Managed Portfolios Program does not provide you with access to the discretionary investment management services of RBC AM; and
- › your account is not insured by the Canada Deposit Insurance Corporation, the Deposit Insurance Act (Quebec) or any other deposit insurer, and the value is not guaranteed by any RBC company.

Distributions All distributions and any income earned by an RBC Managed Portfolios Account will be paid in cash to the RBC Managed Portfolios Account.

Account Administration

Minimums You must invest and maintain a minimum balance of \$10,000 in your RBC Managed Portfolios Account. If your balance falls below the minimum, we may redeem your investment. Additional investments must be a minimum of \$250.

Deposits Your deposits will only be accepted once the application to open an RBC Managed Portfolios Account has been approved by RMFI and subsequent to your selection of an Investment Profile.

Your deposits will be initially invested in cash or cash equivalents and will be invested in accordance with your selected Investment Profile as soon as practicable.

Withdrawals You may request withdrawals from your RBC Managed Portfolios Account (minimum \$250) by contacting your RMFI mutual funds representative. RMFI will advise RBC AM of your request. RBC AM will then sell assets from your RBC Managed Portfolios Account on a pro-rata basis in accordance with your selected Investment Profile, as necessary, to fund the withdrawal.

Termination Certain of the Funds may only be held with RMFI through the RBC Managed Portfolios Program. Therefore, upon termination of your RBC Managed Portfolios Account, RMFI may redeem all the Funds in your RBC Managed Portfolios Account.

Death or Incapacity Upon your death or incapacity, we will continue to administer your RBC Managed Portfolios Account and fees will be charged as outlined in this Schedule F until we have received contrary instructions from your duly authorized representative.

Fees and Expenses RMFI is authorized to debit your RBC Managed Portfolios Account with the fees outlined below and any expenses outlined in the Agreement.

The total fees payable by you for your RBC Managed Portfolios Account are for investment management and account administration. Each Fund in the RBC Managed Portfolios Program pays its own operating expenses. There are no sales commissions or trailer fees payable in respect of the Funds in your Account. There are no fees or expenses payable by you that would duplicate any fees or expenses paid by the Funds.

The fee will be calculated and paid monthly in arrears. The monthly fee is based on the net asset value of your RBC Managed Portfolios Account on either (i) the last business day of each full or partial month during which you are in the RBC Managed Portfolios Program, or (ii) the closure of your RBC Managed Portfolios Account.

Annual Fee Rates:

Fee Breakpoints	First \$150,000	Next \$100,000	Portion over \$250,000
Cash Flow	1.50%	1.25%	1.00%
Income	1.60%	1.50%	1.00%
Conservative	1.60%	1.50%	1.00%
Balanced	1.80%	1.70%	1.00%
Growth	1.80%	1.70%	1.00%
Aggressive Growth	1.80%	1.70%	1.00%

The minimum annual fee for any RBC Managed Portfolios Account is \$1,250. When calculating the fees payable, RMFI may, in its sole discretion, take into consideration all of the RBC Managed Portfolios Accounts in your household.

Fees are subject to any taxes as may be applicable from time to time. RMFI may change these fees from time to time, provided that any change will only be effective sixty (60) days after written notice has been mailed to you.

Relationship with Agreement If there is any inconsistency between the provisions in any other part of the Agreement and this Schedule F, the terms of this Schedule F shall prevail.

Assignment by RMFI RMFI may assign its rights and obligations under this Schedule to another RBC company that is qualified to provide the service, without prior notice to you.