

GENERAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE SERVICES

MiFID2 ANNEX

RBC INVESTOR SERVICES BANK S.A. EFFECTIVE AS OF 1 FEBRUARY, 2019

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1. **Application and Scope**
- 1.1 This Annex supplements the Agreement, the terms of which, as supplemented by this Annex apply to all Customers.
2. **Additional Definitions**
- 2.1 Unless otherwise defined, terms used in this Annex have the meaning given to them in the Agreement.
- 2.2 In this Annex, the following terms have the following meanings:
- (a) "**Applicable Regulator**" means each of the CSSF, ESMA or other relevant regulatory authority authorising RBCIS in any jurisdiction (whether in Luxembourg, EU, EEA or Third Country or transnational);
- (b) "**Approved Reporting Mechanism**" means a person authorised under MiFID 2 to provide the service of reporting details of transactions to competent authorities or to ESMA on behalf of investment firms;
- (c) "**CSSF**" means the *Commission de Surveillance du Secteur Financier*;
- (d) "**EBA**" means the European Banking Authority;
- (e) "**ESMA**" means the European Securities and Markets Authority;
- (f) "**Execution Venue**" means a Trading Venue (or its operator), a Systematic Internaliser or a market maker or liquidity provider (within the meaning contemplated at Article 1 of MiFID2 RTS 27);
- (g) "**Financial Instruments**" has the meaning given to it in MiFID2;
- (h) "**MAR**" means Regulation (EU) 596/2014 on market abuse;
- (i) "**MIFID2**" means Directive 2014/65/EU on markets in financial instruments;
- (j) "**MiFIR**" means Regulation (EU) 600/2014 on markets in financial instruments;
- (k) "**Multilateral Trading Facility**" or "**MTF**" means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discriminatory rules – in a way that results in a contract in accordance with Title II of MiFID 2;
- (l) "**Organised Trading Facility**" or "**OTF**" means a multilateral system which is not a Regulated Market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of MiFID 2;
- (m) "**Regulated Market**" means a multilateral system operated and/or managed by a market operator, which brings together or facilitates bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discriminatory rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with Title III of MiFID 2;
- (n) "**Systematic Internaliser**" means an investment firm which, on an organised, frequent systematic and substantial basis, deals on own account when executing client orders outside a Regulated Market, an MTF or an OTF without operating a multilateral system, including an investment firm which opts to be Systematic Internaliser without meeting the relevant frequent and systematic and/or substantial basis thresholds;
- (o) "**Third Country**" means a jurisdiction which is not a member state of the European Economic Area; and
- (p) "**Trading Venue**" means a Regulated Market, a MTF or an OTF.
3. **Representations and Warranties**
- 3.1 In addition to the representation and warranties set out in Section 4 of the FX Terms, the Customer represents and warrants, as of the date the FX Terms come into effect and as of the date of each FX Transaction, (which representation and warranty the Customer acknowledges will be relied upon by RBCIS) that the Customer shall observe the standard of behaviour reasonably expected of persons in the Customer's position in relation to any relevant market and not take any step which would cause RBCIS to fail to observe the standard of behaviour reasonably expected of persons in RBCIS' position.
4. **Client Categorisation**
- 4.1 RBCIS shall treat the Customer as an eligible counterparty for the purposes of MiFID2. The Customer has the right to request a different client categorisation. If the Customer requests categorisation as a professional client, the client will benefit from certain protections required by regulatory rules. RBCIS may not accept such request and may not be able to provide services to the Customer. However, notwithstanding the absence of applicable regulatory rules, RBCIS would endeavour to provide a service which is overall effective and commercially reasonable. If the Customer requests to be categorised as a retail client thereby requiring a higher level of regulatory protection RBCIS may not be able to provide services to the Customer. The Customer acknowledges and agrees that the Customer is responsible for keeping RBCIS informed about any change that could affect its categorisation as eligible counterparty.



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5. Suitability and Appropriateness

- 5.1 The Customer acknowledges and agrees that RBCIS will not be making any personal recommendation to the Customer, or advising the Customer on the merits of any FX Transaction. For the avoidance of doubt, RBCIS is not required to assess the suitability of any FX Transaction or FX Service provided or offered and the Customer will therefore not benefit from the protection of Applicable Regulations on suitability assessments. RBCIS will assume that the Customer has the necessary experience and knowledge in order to understand the risks involved in relation to those services or transactions, and therefore that they are appropriate for the Customer. The merits or suitability of any FX Transaction to the Customer's particular situation will be determined by the Customer seeking independent advice where necessary in the light of its own investment objectives, including consideration of the legal, tax, accounting, regulatory, financial and other related aspects thereof. The Customer will take all trading decisions in reliance on its own judgment. In particular, RBCIS owes no duty to the Customer (except as required by Applicable Regulations) to exercise any judgment on its behalf as to the merits or suitability of entering into, or refraining from entering into any FX Transaction.

6. Applicable Regulation

- 6.1 Without limiting the generality of Section 2.5 of the FX Terms:
- (a) RBCIS may refuse to enter into, execute, transmit, deal in, or otherwise arrange any FX Transaction or otherwise impose position limits and position management controls and RBCIS may (iii), close-out, terminate or reduce any position or FX Transaction (or require the Customer to do any of the foregoing and the Customer shall be obliged to do so) for the purposes of complying with any position limits imposed by an Applicable Regulator or position management controls imposed by a Trading Venue or any of their procedures and rules applicable to RBCIS;
- (b) RBCIS may refuse to enter into, execute, transmit, deal in or otherwise arrange any FX Transaction where the Customer has not provided such information, or waived or procured the waiver of any confidentiality or privacy protection/privacy obligations in respect of such information,, as RBCIS may reasonably require:
- (i) in order for RBCIS to comply with any Transaction Reporting Requirements or Market Transparency Requirements in respect of such FX Transaction as defined and in accordance with Section 8 of this Annex; or
- (ii) where RBCIS' non-receipt of such information (including, without limitation, an applicable legal identifier code) would mean that RBCIS is prohibited by Applicable Regulations to enter into, execute, transmit, deal in or

otherwise arrange (as the case may be) such FX Transaction;

- (c) RBCIS may refuse to enter into, execute, transit, deal in or otherwise arrange any of the Customer's FX Transactions or perform any obligation pursuant to the FX Terms or any FX Service where such action or performance:
- (i) would cause RBCIS to breach any prohibition or restriction in relation to a particular Financial Instrument imposed or specified by ESMA, the EBA or an Applicable Regulator in accordance with MiFIR; or
- (ii) would be prohibited, or made impracticable to effect on reasonable commercial terms, by any suspension or removal from trading of a Financial Instrument imposed by an Applicable Regulator pursuant to Applicable Regulations; and
- (d) where RBCIS has agreed with the Customer or any other person that RBCIS is not obliged to, or shall not make public a FX Transaction, but RBCIS is nonetheless required by Applicable Regulations to publish or arrange publication of such FX Transaction (pursuant to a Market Transparency Requirement or otherwise), notwithstanding such agreement, then RBCIS may publish or arrange publication of such FX Transaction and may delegate such publication or arrangements to a third party service provider.

- 6.2 RBCIS may be required from time to time to provide the Customer with certain information in a "durable medium" pursuant to Applicable Regulation. Such information may include information relating to RBCIS and its services, the nature and risks of certain financial instruments, safeguarding of financial instruments and holding of client money, costs and associated charges and RBCIS' order execution policy. The Customer consents to the provision by RBCIS of the above described information by making it available on a website where such information is not personally addressed to the Customer and to the extent it is permitted by Applicable Regulation.

7. Inducements and Costs and Charges Disclosures

- 7.1 In respect of the FX Services, RBCIS may obtain from and keep or pay to third parties (including affiliates) any fees, commissions and other non-monetary and monetary benefits in connection with the FX Services in Financial Instruments provided where permitted by Applicable Regulation.
- 7.2 The amount or basis of any fee, commission or other benefit received by RBCIS from such a third party or paid by RBCIS to such a third party in connection with the FX Services, and the amount or basis of any charges shared with a third party, will be disclosed to the Customer prior to such an arrangement taking place, and such disclosure may be in summary form only.



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7.3 In separate documentation, RBCIS shall provide the Customer with appropriate information regarding the costs and charges of the FX Services in Financial Instruments. The Customer agrees that RBCIS may in certain circumstances and where permitted by Applicable Regulations, provide the Customer with more limited information on costs and charges than would otherwise be required. Upon request, RBCIS will also provide Customers with an itemized breakdown of such costs and charges.

8. Execution of Orders

8.1 Authorised Instructions for execution of FX Transactions in Financial Instruments ("Orders") will be executed in accordance with RBCIS' Best Execution Policy, information on which has been provided to the Customer in the form of RBCIS' Information on the Best Execution Policy. RBCIS is also obliged to obtain the Customer's prior express consent before RBCIS executes an Order outside of a Trading Venue in an instrument traded on a Trading Venue. The Client Consents Letter that the Customer will have been provided explains how the Customer can provide this consent.

8.2 RBCIS and the Customer shall, before concluding outside the rules of a Trading Venue, any transaction in a Financial Instrument, confirm to each other whether each is a Systematic Internaliser in respect of such Financial Instrument.

9. Transaction Reporting and Market Transparency

9.1 Pursuant to Applicable Regulations, RBCIS may from time to time be required to report details of FX Transactions and details about the Customer to an Applicable Regulator (a "Transaction Reporting Requirement") and to make information about FX Transactions public (a "Market Transparency Requirement").

9.2 RBCIS may from time to time require the Customer to provide (and the Customer shall provide) such information and any updates to such information as may already have been provided, relating to the Customer and its agents, underlying principals or others, as RBCIS may require in order to comply with any obligations that RBCIS may reasonably believe may arise from or exist under the Market Transparency Requirements or the Transaction Reporting Requirements in respect of FX Transactions or the FX Services ("Counterparty Data"). Where the Customer acts on behalf of an underlying client, the Customer agrees that such "Counterparty Data" shall include such information as RBCIS may require on the Customer's clients' positions as well as, if applicable, the positions of the clients of those clients and so on until the end client is reached, to enable RBCIS to complete and submit reports to the relevant Trading Venue, Approved Reporting Mechanism or Applicable Regulator.

9.3 The Customer:

- (a) agrees to deliver to RBCIS such Counterparty Data as requested by RBCIS and such information on the Customer's positions as RBCIS may require within the time period advised by RBCIS (but in any event in time for RBCIS to comply with its Transaction

Reporting Requirements or Market Transparency Requirements, as applicable under Applicable Regulations);

- (b) represents to RBCIS that such Counterparty Data as the Customer may deliver is, at the time of delivery, true, accurate and complete in every material respect;
- (c) acknowledges and agrees that RBCIS may rely on the Counterparty Data, without investigation, unless and until the Customer informs RBCIS otherwise;
- (d) undertakes to provide RBCIS, on reasonable, notice, with any material changes or updates to the Counterparty Data; and
- (e) consents, (and, where it is acting for underlying clients, undertakes to ensure that all of its clients have given their consent) to RBCIS providing information about the Customer (as well as positions that the Customer holds or enters into for itself and/or its underlying clients), persons making investment decisions on Customer's behalf, and transactions executed with or for the Customer to Applicable Regulator either directly or through a Trading Venue or an Approved Reporting Mechanism, in the course of submitting transaction reports and to RBCIS making public relevant details of quotes provided to the Customer and transactions executed for the Customer in accordance with Applicable Regulations.

10. Complaints and Compensation

10.1 RBCIS has a complaints management policy and procedures for handling complaints that it receives. Complaints can be delivered in writing or by telephone to the Customer's client representative who will record the complaint in the dedicated tool and acknowledge it via email within 24 hours, by using a complaint acknowledgement template, which is compliant with the CSSF requirements. This acknowledgement of complaint has to be recorded in a client or complainant file. A summary resolution letter has to be drafted and sent to the complainant within 1 month. If after 1 month the complaint is not resolved satisfactorily, RBCIS must either close the complaint with a final response communication or send the complainant a holding letter. Both letters will inform the complainant about the option of contacting the CSSF to lodge a request for out-of-court complaint resolution. If additional time is needed, the complainant must be informed accordingly (with justification and a new indicative date provided).

Any complaint received will be dealt in accordance with the CSSF's rules on complaints handling. The CSSF is competent to receive complaints from customers of the professionals subject to its supervision and acts as an alternative dispute resolution body (ADR) (in accordance with the provisions of the CSSF Regulation N° 16-07 and the Circular CSSF 17/671 relating to out-of-court complaint resolution). The request must be filed with the CSSF in writing, by post, by fax or by email, or online on the CSSF website to the following address:



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Commission de Surveillance du Secteur Financier,
Département Juridique II, 110, route d'Arlon, L-1150
Luxembourg, Fax: (+352) 26 25 1 – 601, Email:
reclamation@csf.lu. Additional details are available
on the website of the CSSF at www.cssf.lu. A copy of
RBCIS' written complaint procedure is available on
request from RBCIS.

- 10.2 In accordance with the provisions of the law of 5 April 1993 on the financial sector, as amended, RBCIS is a participant of the Fonds de garantie des dépôts Luxembourg (« FGDL ») which also manages the Système d'indemnisation des investissements Luxembourg ("SIIL"). The FGDL constitutes the deposits guarantee scheme covered by article 4 of the directive 2014/49/UE in Luxembourg and the SIIL, the investor protection scheme covered by Directive 97/9/EC. The Customer may be entitled to compensation from the scheme if RBCIS cannot meet its obligations. This depends upon the type of client, business and the circumstances of the claim.

The FGDL guarantees each depositor (natural or legal person), within the limits and under the conditions laid down by the Luxembourg law, the refund in euros of the eligible deposits which have become unavailable from the Bank. The limit is EUR 100,000 per depositor. The following are however excluded: the deposits made in particular by credit institutions in their own name and on their own behalf, financial institutions, investment firms, insurance companies, undertakings for collective investment, pension funds, public authorities, etc. The SIIL protects each investor (natural or legal person) up to a limit of EUR 20,000, under the limits and conditions laid down by the Law, if the Bank is unable to reimburse the funds or return the instruments belonging to investors in regard to investment transactions. However, the following are excluded from any cover under the SIIL, debts with investment firms, credit institutions, financial institutions, insurance companies, undertakings for collective investment, pension funds, other professional and institutional investors, governments, etc. Further information about compensation arrangements is available from the FGDL at www.fgdl.lu.

11. Conflicts of Interest

- 11.1 RBCIS forms part of a major banking group. It is therefore possible that RBCIS or another member of the RBC Group or one of their officers, employees, representatives or agents or another customer of the RBC Group may have interests, relationships and/or arrangements that give rise to conflicts of interest between RBCIS and the Customer or between the interests of one Customer and another. RBCIS has established a conflicts of interest policy, information on which has been provided to you in the form of RBCIS' Information on the Conflicts of Interest Policy, and implemented procedures and arrangements to identify, prevent and manage such conflicts.

12. General

- 12.1 RBCIS is authorised to record telephone conversations, keep records of electronic communications, and to maintain all accounts, records, registers, corporate books, correspondence and other documents pertaining to the Customer in

connection with this Agreement on electronic records or otherwise and to produce, at any time during the course of legal proceedings, physical copies or reproductions of these documents or conversations as judicial evidence. A copy of any recorded telephone conversation and a copy of any electronic communication record will be available on request for a period of five years and, where requested by a relevant Applicable Regulator, for a period of up to seven years.

- 12.2 The Customer consents to the writing of this Agreement in the English language. Further, all documents instruction, notice or other communication sent or received between the parties shall also be written in the English language.

