



# Keeping you informed

## Conflicts of Interest Disclosure - July 2021

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. in Canada.

At RBC Capital Markets we have established policies and procedures designed to identify, disclose, manage and, where necessary, avoid material conflicts of interest in relation to our firm, our clients and third parties. This includes actual, potential and perceived material conflicts of interest.

In accordance with new Canadian securities laws coming into effect on June 30, 2021, we are providing the following updated Conflicts of Interest Disclosure to you on behalf of RBC Dominion Securities Inc. (“RBCCM”, “us” or “we”). It explains in greater detail, potential material conflicts of interest that may arise as a normal part of doing business with us, how they may affect your interests as our client, and how we intend to address them in your best interest.

We have longstanding processes in place to manage potential material conflicts and we welcome this opportunity to provide you with more information. Please find below some examples of potential material conflicts and how we intend to address them. We will also strive to keep you informed in a timely fashion should we identify any other material conflicts that would adversely affect your interests in the future.

Generally, RBCCM identifies and addresses material conflicts of interest through established policies and procedures, including the Royal Bank of Canada (RBC) Code of Conduct.

Type of potential conflict	How we intend to address it
<b>RBCCM relationship</b>	
<ul style="list-style-type: none"> <li>In the course of providing services to you, we may enter into transactions or arrangements with other related entities within the RBC group of affiliated companies (“RBC companies”).</li> <li>We may accept services from, or provide services to, other RBC companies or other persons or companies which are related or connected to us.</li> <li>This may give rise to the perception that, when providing services or products to you, we will favor the business interests of RBC companies.</li> </ul>	<ul style="list-style-type: none"> <li>The members of the RBC companies are separate legal entities, each with information barriers and tailored compliance systems.</li> <li>We only enter into transactions and arrangements with RBC companies where they are permitted under applicable securities laws.</li> <li>We adopt internal policies and procedures, including policies on maintaining the confidentiality of client information.</li> <li>We establish services agreements with other RBC companies so all parties are contractually bound to carry out their duties honestly and in good faith, and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.</li> <li>We conduct due diligence and ongoing monitoring of services being provided in a similar manner as if the RBC companies were not related entities.</li> </ul>

<b>RBC proprietary products</b>	
<ul style="list-style-type: none"> <li>We may make available to you products of affiliated RBC companies, including but not limited to exchange traded funds and structured notes.</li> <li>This may give rise to the perception that, when providing products to you, we will favor the business interests of RBC companies.</li> </ul>	<ul style="list-style-type: none"> <li>We obtain client instructions for transactions on investments, including proprietary products of RBC companies.</li> <li>We apply a product review process that considers various factors in assessing whether proprietary products of RBC companies should be included in RBCCM offerings to clients.</li> <li>We provide requisite disclosure of applicable relationships and activities to clients.</li> </ul>
<b>Related and Connected Issuers</b>	
<ul style="list-style-type: none"> <li>We may make available to you products of related and connected issuers within the RBC companies.</li> <li>This may give rise to the perception that, when providing products to you, we will favor the business interests of RBC companies.</li> </ul>	<ul style="list-style-type: none"> <li>We obtain client instructions for transactions on investments, including in securities of a related or connected issuers of RBCCM.</li> <li>We provide requisite disclosure of applicable relationships and activities to clients.</li> <li>We indicate securities that are for related or connected issuers of RBCCM on your trade confirmations and account statements.</li> </ul>
<b>Trading in securities we underwrite</b>	
<ul style="list-style-type: none"> <li>We may provide advice, act as an underwriter or provide other services to an issuer of securities, which securities we may make available to you.</li> <li>As we receive fees for services to issuers, we may be perceived to be financially motivated to offer, buy or advise on securities for your account where we have provided or may provide services to the issuer.</li> </ul>	<ul style="list-style-type: none"> <li>We have established procedures in place that are reasonably designed to prevent material non-public information held by one business from being disclosed to another.</li> <li>We have established policies that are reasonably designed to ensure trading in securities is performed in accordance with applicable securities laws and regulations.</li> <li>Conflicts disclosures, or a link to the disclosures, are attached to RBCCM research reports including when we have managed or co-managed a public offering of securities in the past 12 months.</li> <li>We have established procedures designed to restrict RBCCM from making trading-related recommendations with respect to an issuer when we are acting as underwriter or syndicate member during an offering of such issuer.</li> </ul>
<b>Allocation of limited investment opportunities</b>	
<ul style="list-style-type: none"> <li>When allocating investment opportunities to clients, including Initial Public Offerings (IPOs), we may be perceived as favoring one client or group of clients over another when allocating these opportunities, as they are limited.</li> </ul>	<ul style="list-style-type: none"> <li>We have established policies that are reasonably designed to ensure the allocation of investment opportunities amongst client accounts is performed in accordance with applicable securities laws and regulations.</li> </ul>
<b>Trade execution</b>	
<ul style="list-style-type: none"> <li>We select marketplaces on which to execute trades.</li> <li>RBC Dominion Securities Inc. is a founding shareholder of Aequitas Innovations Inc., the parent company of Aequitas Neo Exchange Inc.</li> <li>We may be perceived as favoring certain dealers and/or marketplaces that provide us with certain benefits or rebates.</li> <li>There may be a perception that an employee may potentially use confidential client information of one client for the benefit of another client, or for the interest of RBC companies.</li> </ul>	<ul style="list-style-type: none"> <li>We have established policies that are reasonably designed to ensure RBC Dominion Securities Inc. complies with applicable securities laws and regulations with respect to handling of client orders, including our Best Execution Policy.</li> <li>A copy of our Best Execution Policy can be found here: <a href="https://www.rbccm.com/globalequity/file-674250.pdf">https://www.rbccm.com/globalequity/file-674250.pdf</a></li> <li>We have policies and procedures that are reasonably designed to ensure that client information is not shared with another client or used by traders to benefit the firm's own trading.</li> </ul>

<b>Referral arrangements</b>	
<ul style="list-style-type: none"> <li>We may refer clients to other RBC companies and receive a referral fee.</li> <li>This may be perceived as being in RBCCM's financial interest, and potentially divergent from an interest you may have in being referred to a third-party unrelated to RBCCM with respect to the type of product or service that you have requested.</li> </ul>	<ul style="list-style-type: none"> <li>We have established policies and procedures reasonably designed to manage any potential material conflict of interest arising from referral arrangements.</li> </ul>
<b>Gifts and entertainment</b>	
<ul style="list-style-type: none"> <li>Gifts or entertainment received or given to or from clients, third parties or other employees may be perceived as potentially inappropriately influencing an external party or employee.</li> </ul>	<ul style="list-style-type: none"> <li>We have established policies and procedures reasonably designed to ensure gifts or entertainment received or given are limited, are in accordance with applicable law and regulation, and are conducted in the spirit of the business to foster and maintain the business relationship.</li> </ul>
<b>Outside business activities</b>	
<ul style="list-style-type: none"> <li>Our employees may engage in approved outside business activities for which they may receive compensation.</li> <li>This may include acting as a director externally or for an RBC company.</li> <li>Outside business activities may be perceived as potentially influencing an employee's professional dealings with a client.</li> </ul>	<ul style="list-style-type: none"> <li>We have established internal policies and procedures reasonably designed to ensure that prior to engaging in an outside business activity, employees disclose and obtain approval from their Supervisor and Compliance. Potential conflicts of interest are identified and addressed via an established approval process.</li> <li>Where required by law or regulation, such activities may be disclosed to the applicable regulator.</li> <li>We have established policies and procedures reasonably designed to prohibit individuals registered with us to be employed by, participate in, or accept compensation from any other person, outside the scope of their relationship with us, without our prior internal approval.</li> <li>We have established internal policies and procedures that are reasonably designed to supplement regulatory requirements, including our policies on privacy and confidentiality of information.</li> <li>We establish information barriers that are reasonably designed to prevent unauthorized transmission of confidential information.</li> </ul>
<b>Personal Trading</b>	
<ul style="list-style-type: none"> <li>Employees may have access to confidential information regarding the trading activities of a client.</li> <li>There may be a perception that an employee may potentially use the information of one client for the benefit of another client, or for their personal interest.</li> </ul>	<ul style="list-style-type: none"> <li>We have established policies and procedures that are reasonably designed to ensure trading in securities is performed in accordance with applicable securities laws and regulations.</li> <li>We have established information barriers that are reasonably designed to prevent unauthorized transmission of confidential information.</li> <li>We have established policies and procedures reasonably designed to supplement regulatory requirements to address personal trading including: <ul style="list-style-type: none"> <li>At the time of hiring, and on an annual basis, obtaining from applicable employees disclosure of trading accounts (i.e. PRO accounts); and</li> <li>Monitoring and reviewing transactions in PRO accounts on a regular basis.</li> </ul> </li> </ul>