

Conflict of Interest Management Policy

RBC Capital Markets (Japan) Ltd.

1. Purpose

In connection with the diversification of services provided by financial institutions and the development of global financial conglomeratization, multiple interests compete or conflict with each other within a financial institution or financial group increasing the possibility of conflicts of interests.

Under such circumstances, RBC Capital Markets (Japan) Ltd. (the "Company") is required to manage the transactions that may cause conflicts of interests in order to prevent the interests of our customers from being unjustly impaired.

The Company, a Type 1 Financial Instruments Business Operator engaging in Securities-Related Business under the Financial Instruments and Exchange Act (Act No. 25 of April 13, 1948), has established the Conflict of Interest Management Policy (this "Policy"), which is required in the creation of the conflict of interest management system under applicable laws and regulations.

2. Types of Transactions That May Cause Conflicts of Interests; Process of Identification, Etc.

(1) Covered Transactions

"Transactions that may cause conflicts of interests," which are covered by this Policy, means such transactions conducted by the Company or any of its Parent Financial Institutions, Etc. (as defined in 3 below) or Subsidiary Financial Institutions, Etc. (as defined in 3 below) that may unjustly impair the interests of our Customers (the "Covered Transactions").

Conflicts of interests may occur (I) between the Company and/or any of its Parent Financial Institutions, Etc. or Subsidiary Financial Institutions, Etc., and their Customers, or (II) between the Customers of the Company and/or any of its Parent Financial Institutions, Etc. or Subsidiary Financial Institutions, Etc., and other Customers.

"Customer" means, in relation to the "Financial Instruments Related Business" conducted by the Company or any of its Subsidiary Financial Institutions, Etc., (I) any customer who has already established business relations, or (II) any customer who may establish business relations, both of whom exclude any customer of any Subsidiary Financial Institution, Etc. that seems to be irrelevant to the Domestic Business (which term means any business conducted by the Company or any of its Affiliates in Japan).

"Financial Instruments Related Business" means the businesses as follows.

(I) any Financial Instruments Business and such Business Incidental to Financial Instruments Business, as provided for in Article 35, Paragraph 1 of the Financial Instruments and Exchange Act, that are conducted by the Company.

(II) such business conducted by any of the Subsidiary Financial Institutions, Etc. of the Company as follow.

- (i) Financial Instruments Business (in case the Subsidiary Financial Institution, Etc. is a Financial Instruments Business Operator)
- (ii) Registered Financial Institution Business (in case the Subsidiary Financial Institution, Etc. is a Registered Financial Institution)
- (iii) Business Incidental to Financial Instruments Business as provided for in Article 35, Paragraph 1 of the Financial Instruments and Exchange Act (in case the Subsidiary Financial Institution, Etc. is a Financial Instruments Business Operator engaging in Type 1 Financial Instruments Business or Investment Management Business)
- (iv) business conducted by the Subsidiary Financial Institution, Etc. that amounts to such Business Incidental to Financial Instruments Business as provided for in Article 35, Paragraph 1 of the Financial Instruments and Exchange Act (in case the Subsidiary Financial Institution, Etc. engages in neither Type 1 Financial Instruments Business nor Investment Management Business).

(2) Types of Transactions That May Cause Conflicts of Interests; Criteria

The following transactions may be considered as types of "transactions that may cause conflicts of interests." However, as these types are only criteria to determine whether there is any "transaction that may cause any conflict of interests," please note that the satisfaction of any such criteria does not necessarily mean the occurrence of a "transaction that may cause a conflict of interests." Also, please note that some additions or modifications may be made in the future as may be necessary.

- If any Customer reasonably expects that his/her own interests will be prioritized through counseling or advice (Duty-of-Loyalty Type);
- If the Company or any of its Affiliates may obtain any economic profit or avoid any economic loss at the expense of any Customer (Duty-of-Loyalty Type);
- If the Company or any of its Affiliates obtains or will obtain any incentive in the form of money, goods or services other than the usual commission fees or expenses in connection with the transactions with any person other than their Customers (Duty-of-Loyalty Type);
- If the Company or any of its Affiliates conducts any transaction with any Customer who should be protected by the Company or such Affiliate (Self-Agency Type);
- If the Company or any of its Affiliates conducts any transaction under which the Company or such Affiliate takes the side of the counterparty of any Customer who should be protected by the Company or such Affiliate (Two-Side Agency Type);
- If the Company or any of its Affiliates conducts any transaction with the counterparty of any Customer who should be protected by the Company or such Affiliate, which counterparty competes with such Customer (Competitive Transaction Type);
- If the Company or any of its Affiliates conducts any transaction through the use of non-public information on any Customer who should be protected by the Company or such Affiliate, which transaction results in any benefit to the Company or any such Affiliates (Information Use Type); or
- If the conditions for similar transactions may not be expected due to the involvement of Company or any of its Affiliates in the same transaction on multiple sides (Transaction-Internalization Type).

In addition, upon determining whether any conflict of interests has occurred, the Company will consider whether any impact upon the reputation of the Company or our group has been caused.

This Policy will not cover any acts other than those that constitute "transactions that may cause conflicts of interests" notwithstanding that such acts are prohibited under the Financial Instruments and Exchange Act, or any other laws or regulations.

(3) Specific Examples

The following transactions and any other similar transactions may be considered as specific examples of "transactions that may cause conflicts of interests":

- If the Company or any of its Affiliates provides any advice regarding financing or M&A to multiple Customers which compete or conflict with each other;
- If the Company or any of its Affiliates provides any advice regarding financing or M&A to any Customer while making any principal investment in such Customer, purchasing assets from such Customer or conducting any other transaction with such Customer;
- If the Company or any of its Affiliates provides any advice regarding subscription or issuance of securities to any Customer while recommending another Customer to deal in such securities;
- If the Company or any of its Affiliates provides any investment research regarding any Customer to whom the Company or such Affiliate provides any financing advice or any credit;
- If the Company or any of its Affiliates provides any advice regarding corporate defense to one Customer while financing another Customer who intends to acquire such Customer, and competes and conflicts with such Customer;
- If with the knowledge of potential information regarding securities transaction of any Customer, the Company or any of its Affiliates conducts any proprietary transaction regarding such securities;
- If the Company or any of its Affiliates conducts any proprietary transaction, participates in subscription or is otherwise involved through trustees or managers with respect to any securities to which any order has been given by any Customer;
- If the Company or any of its Affiliates recommends or sells any securities issued by the Company or such Affiliate or any securities held for its own account to any Customer;
- If the Company or any of its Affiliates recommends or sells any securities issued or created by any affiliate to any Customer, or incorporates such securities into the assets of any Customer that have been entrusted to the Company or such Affiliate, or if the Company or such Affiliate provides back financing thereof;
- If any financial institution that provides a wide range of services internalizes any transaction (including the cases where we issue an order to any securities company within the group); or
- If any employee of the Company or its Affiliates receives any gift or entertainment (including any non-monetary benefits) that may prejudice the interests of any Customer.

(4) Process of Identifying Transactions That May Cause Conflicts of Interests

- (I) If, in light of information obtained through any transaction with any Customer, any officer or employee of the Sales Division deems that such transaction may constitute any of the types listed in (2) above, and if it is possible to make any standard judgment as to any conflict of interests between such Sales Division and such Customer, or any internal guideline has been established for handling such type of transaction, such officer or employee of the Sales Division, at its sole discretion, will "identify" the " transaction that may cause any conflict of interests" and select the method of managing the same ("management method").

Even in such case, please follow the instructions given by the Compliance Division or the person responsible for internal management of such Sales Division in connection with the "identification" of the "transactions that may cause conflicts of interests" or the "management method" thereof, if any.

If any doubt arises as to whether any transaction constitutes a "transaction that may cause any conflict of interests" or in respect of the management method thereof, please follow the judgment of the person responsible for internal management of the [Compliance Division] or such Sales Division.

If there is any discrepancy between the judgment of the Sales Division and that of the Compliance Division, which is the Conflict of Interest Management Control Division, the judgment of the Compliance Division will prevail.

- (II) If, in light of information obtained through any transaction with any Customer and the types of transactions listed in (2) above, any officer or employee of the Sales Division deems that such transaction may constitute a transaction that may cause any conflict of interests, except for the case listed in (I) above, such officer or employee shall immediately report to the Compliance Division, which is the Conflict of Interest Management Control Division, such fact, and follow any instruction given by such division. In this case, the Compliance Division, which is the Conflict of Interest Management Control Division will "identify" the "transaction that may cause any conflict of interests" and select the "management method" thereof.

However, if it is necessary to make any judgment that may have an impact on the reputation of the Company or its group or any other material judgment, the Conflict of Interest Management Committee (comprising the branch manager, compliance officer, and the chairman of the joint management committee) of the Company will "identify" the "transaction that may cause any conflict of interests" and select the "management method" thereof.

3. Scope of the Companies Covered by Conflict of Interest Management

As stated in 1(1) above, the Covered Transactions are any transactions conducted by the Company or any of its Parent Financial Institutions, Etc. or Subsidiary Financial Institutions, Etc. (the Parent Financial Institutions, Etc. and Subsidiary Financial Institutions, Etc. of the Company are referred to as "Affiliates").

"Parent Financial Institution, Etc." means (I) such parent corporation of the Company, (II) such subsidiary corporation of any Parent Corporation, Etc. of the Company, (III) such Affiliated Corporation, Etc. of any parent corporation, etc. of the Company, or (IV) such Subsidiary Corporation, Etc. or affiliated corporation, etc. of any Specific Individual Shareholder of the Company, as is (a) a Financial Instruments Business Operator, (b) a bank, (c) a cooperative financial institution, (d) The Shoko Chukin Bank, Ltd., (e) an insurance company (including any foreign insurance company, etc.), (f) a mutual loan company, (g) a securities finance company, etc., or (h) a person who engages in Financial Instruments Business, banking business or insurance business in any foreign country in accordance with any foreign law or regulation.

"Subsidiary Financial Institution, Etc." means (I) such Subsidiary Corporation, Etc. of the

Company, or (II) such Affiliated Corporation, Etc. of the Company, as is (a) a Financial Instruments Business Operator, (b) a bank, (c) a cooperative financial institution, (d) The Shoko Chukin Bank, Ltd., (e) an insurance company (including any foreign insurance company, etc.), (f) a mutual loan company, (g) a securities finance company, etc., or (h) a person who engages in Financial Instruments Business, banking business or insurance business in any foreign country in accordance with any foreign law or regulation.

As of June 01, 2009, "Parent Financial Institutions, Etc." engaged in the business associated with domestic business are RBC Dominion Securities Inc. and Royal Bank of Canada Europe Ltd.. As of June 1, 2009, the Company does not have "Subsidiary Institutions, Etc.".

4. Method of Managing Transactions That May Cause Conflicts of Interests

If the Company identifies any transaction that may cause a conflict of interests, the Company will properly secure the protection of our Customers by selecting from any of, or combining, the following methods and any other methods (the following methods are only examples, and the following measures need not be adopted):

- The method of separating the division conducting the Covered Transaction, and the division conducting the transaction with such Customer;
- The method of amending the conditions or method of the Covered Transaction or the transaction with such Customer;
- The method of discontinuing the Covered Transaction or the transaction with the Customer; and/or
- The method of properly disclosing to the Customer the possibility that the interests of such Customer may be unjustly impaired in connection with the Covered Transaction (only if such disclosure does not violate the duty of confidentiality assumed by the Company, or any of its Parent Financial Institutions, Etc. or Subsidiary Financial Institutions, Etc.).

5. Conflict of Interest Management System

(1) Establishment of the Conflict of Interest Management Control Division

The Compliance Division of the Company will be the Conflict of Interest Management Control Division, and the Compliance Division Manager will serve as chief of such division.

The Conflict of Interest Management Control Division will be independent from the Sales Division, and will never receive any direction or order regarding the treatment of specific cases from the Sales Division.

The Conflict of Interest Management Control Division will control the company-wide management system regarding the identification of transactions that may cause conflicts of interests and the management of conflicts of interests.

(2) Duties of the Conflict of Interest Management Control Division

The Conflict of Interest Management Control Division will assume the following duties in a position independent from the division responsible for the relevant business and any of the Subsidiary Financial Institutions, Etc. of the Company. However, if the Conflict of Interest Management Control Division gives any instruction to any of the Subsidiary Financial

Institutions, Etc. of the Company, or if any of the Subsidiary Financial Institutions, Etc. of the Company reports to the Conflict of Interest Management Control Division, the division that supervises the internal control within such Subsidiary Financial Institution, Etc. will intervene between them.

The Conflict of Interest Management Control Division will identify any Covered Transactions, and also instruct the divisions responsible for such business of the Company to properly manage any conflicts of interests regarding the Covered Transactions.

The Conflict of Interest Management Control Division shall quarterly report to the Board of Directors any "transactions that may cause conflicts of interests" that have been identified and managed. However, the Conflict of Interest Management Control Division shall immediately report to the Board of Directors any matter that has a material effect on the management of the Company, or significantly impairs the interests of Customers.

Inclusive of any Covered Transactions of the Subsidiary Financial Institutions, Etc., the Conflict of Interest Management Control Division will receive the reports on the status of the management of conflicts of interests regarding the Covered Transactions on a regular basis or on a case-by-case basis, and verify whether the conflicts of interests have been properly managed, and, when necessary, review the procedures for conflict of interest management, or the conflict of interest system.

If the interests of our Customers may be unjustly impaired, the Conflict of Interest Management Control Division will instruct the divisions responsible for such business of the Company to properly manage conflicts of interests, or review the Covered Transactions, when necessary.

The Conflict of Interest Management Control Division will regularly provide training for the management of conflicts of interests based on this Policy and the Conflict of Interest Management Rule to any officers and employees of the Company or its Subsidiary Financial Institutions, Etc., and keep them informed about the management of transactions that may cause conflicts of interests.

(3) Record and Preservation

If any officer or employee of the Sales Division identifies any transaction that may cause any conflict of interests and selects the management method thereof, the person responsible for internal control within such Sales Division will record such measures, and preserve such record for five (5) years from the creation of such record. In this case, after such record is created, or if the Conflict of Interest Management Control Division so requests, the person responsible for internal control within the Sales Division will immediately send a copy of such report to the Conflict of Interest Management Control Division.

If the Conflict of Interest Management Control Division identifies any transaction that may cause any conflict of interests and selects the management method thereof, the responsible person of the Conflict of Interest Management Control Division will record such measures, and preserve such record for five (5) years from the creation of such record.

(4) Internal Audit by the Internal Audit Division

The Internal Audit Division of the Company will, based on a risk-based approach, regularly

conduct a verification of the Conflict of Interest Management Control Division and other personnel composition regarding the management of conflicts of interests and their business operation system.

Supplementary Provisions

Decided at the meeting of the Management Committee on May 20, 2009