



Discretionary Investment Management Service for Private Clients - Terms and Conditions

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1. Definitions

1.1. In these terms and conditions where the context so admits the expressions hereinafter specified shall have the meanings and bear the interpretations thereby assigned to them respectively:-

- (a) **“account”** means any account opened by you or on your behalf at any time for the purpose of providing the services contemplated in the Agreement;
- (b) **“Agreement”** means the Investment Management Service Agreement, these Terms, the Investment Instructions Form and includes any variation of them and all documents entered into as supplemental to them;
- (c) **“associate”** means any holding company or subsidiary of the Company or any company which is a subsidiary of any such holding company or any other member of the RBC Financial Group;
- (d) **“base currency”** means the currency that the Client has chosen and indicated in the Investment Instructions Form as being the currency in which all holdings are to be expressed in when reports and valuations are prepared for the Client;
- (e) **“Brochure”** means the Investment Management Service for Private Clients brochure or any other literature describing said services provided by the Company, issued or supplemented from time to time by the Company and provided to the Client;
- (f) **“business day”** means a day on which banks are open for business in Guernsey;
- (g) **“Client”** means the person specified as the Client in the Agreement and includes all persons and parties deriving title from or under such person;
- (h) **“Client Money”** has the meaning ascribed thereto in clause 5 hereof;
- (i) **“Company”** means RBC Investment Solutions (CI) Limited, a company incorporated in Guernsey, registration number 3403, and having its registered office at Canada Court, St Peter Port, Guernsey GY1 3BQ, Channel Islands;
- (j) **“DIMS Portfolio”** means the Discretionary Investment Management Service for Private Clients Portfolio offered by the Company solely from its Guernsey office;

- (k) **“Discretionary Investment Management Service for Private Clients”** means the services briefly described in clause 3;
- (l) **“Fee Schedule”** means the schedule issued from time to time by the Company reflecting details of the Company’s latest fees for its Discretionary Investment Management Service for Private Clients, and provided to Clients;
- (m) **“Investment Instructions Form”** means from time to time the completed form most recently provided to the Company by the Client which sets out the Client’s investment objectives and general instructions in respect of the administration and selection of the Portfolio as amended or varied from time to time by written communication from the Client;
- (n) **“Investment Objectives”** means from time to time the Client’s Investment Objectives as set out in the most recently completed Investment Instructions Form or provided to the Company by the Client, as amended or varied from time to time by written communications from the Client;
- (o) **“Portfolio”** means the account in which the Company records the portfolio of investments (including cash) managed or held in safe custody by the Company, or sub custodians appointed by the Company, for the Client and/or in respect of which we provide advice and/or transact investment business for the Client;
- (p) **“RBC Financial Group”** means and includes any company which is directly or indirectly a holding company or subsidiary of the Company and any company which is directly or indirectly a subsidiary of any such holding company and in this definition reference to “company” “holding company” or “subsidiary” shall be interpreted as a reference to a body corporate wherever incorporated;
- (q) **“sub custodian”** means any party appointed by the Company to keep custody of the investments in the Portfolio;
- (r) **“subsidiary”** and **“holding company”** have the meanings ascribed thereto in the Banking Supervision (Bailiwick of Guernsey) Law, 1994;
- (s) **“these Terms”** means these terms and conditions;
- (t) **“we”, “us”** and **“our”** refer to the Company;
- (u) **“you”** and **“your”** refer to the Client.

- 1.2. Words used in the Agreement shall have the same meaning in these Terms.
- 1.3. Words importing the singular shall include the plural and the masculine gender shall include the feminine and the neuter and vice versa in each case.
- 1.4. Words importing persons shall include bodies of persons whether corporate or unincorporated.

2. Introduction

- 2.1 You should read and consider these Terms before you complete the Discretionary Investment Management Service for Private Clients Agreement. Signature by you of the appropriate part of the Agreement confirms your acceptance of and agreement to these Terms insofar as they apply to you. It is recommended that you retain a copy of these Terms for future reference.
- 2.2 These Terms relate solely to the Discretionary Investment Management Service which the Company provides for Private Clients. We may also provide other services including other investment products with lower entry levels, if so agreed between us, which are not covered by these Terms alone and which may require supplementary or separate terms and documentation to be signed by you.
- 2.3 We do not provide advice on the tax implications of investment services or transactions and are not responsible for any tax obligations which you may incur as a result of engaging in any investment transactions. We recommend that you seek independent advice regarding your tax position before opening a Portfolio with us or effecting any investment transactions.
- 2.4 You should note that:
 - (i) RBC Investment Solutions (CI) Limited is regulated by the Guernsey Financial Services Commission and the Jersey Financial Services Commission and is authorised to conduct investment business in Guernsey and Jersey. The company is however not authorised under

the United Kingdom Financial Services and Markets Act 2000.

- (ii) In some or all respects the regulatory regimes applying in Guernsey, including any compensation or investor protection arrangements, may be different from those of your own jurisdiction.
- (iii) The Discretionary Investment Management Service for Private Clients is not provided from the Company's offices in Jersey.
- (iv) Certain products and services may not be available to clients resident in certain jurisdictions. For example, the Company does not provide investment services to residents of Canada or the USA and should an existing Client, who established a Portfolio whilst residing overseas, subsequently relocate to either Canada or the USA, then the Portfolio would have to be closed at that time or transferred to another RBC Financial Group company that is authorised to carry on investment business in the country in question. In such circumstances, the Company shall not be liable for any loss or loss of profit.
- (v) The Company has appointed a RBC Financial Group Company in the United Kingdom to undertake the day to day investment management of its clients Discretionary Investment Management Service for Private Clients accounts. The Company has also appointed another RBC Financial Group Company in the Channel Islands to act as its administrative agent. Information regarding the Client may be provided from time to time by the Company to both appointees in order to facilitate the provision of investment services to the Client.
- (vi) The Company reserves the right to delegate the performance of any duties to any RBC Financial Group company.

3. Discretionary Investment Management Service For Private Clients

3.1 Following consideration and acceptance of the Client's application to establish a DIMS Portfolio, the Client shall place with us a minimum sum that we will specify from time to time as being necessary to form the basis of a viable DIMS Portfolio. Whilst the sum may be invested by us at our discretion and we may utilise investments of every type including without limitation, securities, funds, unit trusts, bonds, money market instruments, swaps, options, futures, deposits or foreign currencies, the Company will however construct the Client's DIMS Portfolio utilising a specific range of investments depending upon the value of the DIMS Portfolio, unless an alternative basis has been agreed upon in writing with the Client. Details of the minimum sum for the establishment of a new DIMS Portfolio are reflected in the Brochure.

3.2 We will have complete discretion in managing your DIMS Portfolio on your behalf and in particular:

- (a) there is no limit of amount or proportion of any one investment within your Portfolio, unless otherwise stated in the Brochure or your current Investment Instructions Form;
- (b) we may buy or sell units in any authorised, recognised or unregulated collective investment schemes, in any jurisdiction, including those which may be operated or managed by or advised by a member of the RBC Financial Group;
- (c) we may purchase shares whose issue or offer for sale may be or may previously have been underwritten, managed or arranged by a member of the RBC Financial Group;
- (d) we may purchase part paid securities or acquire investments that are not readily realisable;
- (e) we may commit to any obligation to underwrite any issue or offer for sale of investments without restriction on the nature of such investments or the extent of such underwriting, unless you have indicated to the contrary or provided guidelines in this respect in the Investment Instructions Form completed by you;
- (f) the purchase of securities will be funded from your cash accounts established and maintained in connection with your Portfolio. We may create overdrafts on your cash accounts from time to time subject to the proviso that such overdrafts only relate to timing differences in the settlement of investment transactions in line with your stated Investment Objectives;
- (g) we may, subject to the Client's prior written approval, from time to time borrow funds against the collateral of some or all of the investments held in the Portfolio for the purpose of making further investments to form part thereof;
- (h) we may execute forward contracts on your behalf, unless you have indicated to the contrary in the Investment Instructions Form completed by you.

4. Custody of investments

4.1 Registrable investments comprised in the Portfolio shall be held in safe custody by sub custodians in the Channel Islands or abroad duly appointed by us and shall be registered in the name of the Company, its nominees or its sub custodians.

- 4.2 Non-registrable investments, and all documents of title and certificates evidencing title to the investments comprised in the Portfolio, shall be held in safe custody by sub custodians duly appointed by us, in Guernsey, Jersey or abroad.
- 4.3 Voting or other rights relating to or otherwise conferred by investments comprised in the Portfolio will only be caused to be exercised or otherwise by us in circumstances when we shall in our absolute discretion regard it as being necessary to protect the Portfolio or upon the Client's written instructions and we shall have no responsibility or liability to the Client to account to the Client in respect of any exercise or failure to exercise such voting or other rights pursuant to such instructions or otherwise.
- 4.4 Whilst we will exercise reasonable care in the selection of sub custodians, we shall not be liable for any acts or omissions by any sub custodian relating to the custody of any and all investments and documents of title and certificates evidencing title to investments.
- 4.5 Investments and documents of title and certificates evidencing title to the investments comprised in the Portfolio shall not be sent to third parties.
- 4.6 Money may not be borrowed by the Client or on their behalf on the security of investments without the Company's prior written permission.
- 4.7 All income received by the Company in respect of investments comprised in the Portfolio will be treated as Client Money and reflected in the Client's segregated cash account which forms part of the Portfolio. The Company or an appointed sub custodian may from time to time deduct taxation from any payments received in respect of the Client's Portfolio if it is obliged to do so under applicable law or practice. Income will either be reinvested or dispersed in accordance with the Client's written instructions as specified in the Investment Instructions Form completed by the Client.
- 4.8 Advices relating to cash transactions and contract notes in respect of each purchase or sale of any investment comprised in the Portfolio will not be dispatched to the Client unless the Client has indicated to the contrary in written instructions given to the Company.

5. Client money

- 5.1 All client cash ("Client Money") will be held in a segregated account in the name of the Company on the Client with a bank licensed in Guernsey or Jersey which is a member of the RBC Financial Group. The Company reserves the right to establish segregated clients accounts with any other financial institution whom it deems to be of suitable standing and credit worthiness, should the need arise.
- 5.2 Where the Company maintains more than one account for the Client, the Client agrees that the Company may from time to time treat all such accounts as one account and may at any time set off any credit balance against any indebtedness (whether on a different account or not) to the Company.
- 5.3 The Client agrees that should money be borrowed, such borrowing will be subject to the charging of interest by the bank described in clause 5.1 with which the Client Money is held. Details of any such interest charges will be made available by the Company upon request.
- 5.4 Residents of the European Union ("EU") should note that payment of interest on Client Money will be subject to deduction of EU Savings Directive Retention Tax unless you have either satisfied the Company and/or its bankers in writing that you are not liable to tax in the EU on such income, or you have provided the Company and/or its bankers with authority to disclose information regarding interest paid on your Client Money, or you have provided the Company and/or its bankers with a tax certificate issued from the competent authority in your EU Member State of residence for tax purposes.
- 5.5 The Client acknowledges that:
 - (a) when the Company executes a transaction on behalf of the Client with a broker, fund manager or administrator, there is always a degree of risk that the counterparty may fail to act upon the instruction given or in the manner expected; and
 - (b) when investments are bought or sold they are normally done so on a delivery versus payment basis; and deals for the purchase of certain investments may require the Company to pay subscription monies to a fund manager or administrator in advance of the dealing date and in advance of the fund manager or administrator having issued confirmation of entitlement to the investment being purchased. The degree of risk referred to in (a) above will be greater where transactions involve the advance payment of subscription monies.
- 5.6 The Client acknowledges that the sale of investments is generally subject to a settlement period and proceeds will not be credited to a Client Money account until cleared funds are received. In the case of certain investments, such settlement periods may be lengthy and the Client acknowledges that delays may be encountered in the event of a withdrawal from or termination of the Portfolio.

6. Withdrawals

- 6.1 The Client shall be entitled to make withdrawals from the Portfolio provided that:
- such withdrawals shall be for the minimum sum for withdrawals specified in the Brochure for the type of portfolio and base currency chosen by the Client; and
 - the total value of the Client's Portfolio does not as a consequence of the withdrawal fall below the minimum investment sum stated in the Brochure for the type of portfolio and base currency chosen by the Client.
- 6.2 The Company upon receipt of a request for a cash withdrawal from a DIMS Portfolio, shall if necessary realise sufficient investments from the Portfolio, the choice of which investments to be realised shall be at the absolute discretion of the Company.
- 6.3 The Company shall account to the Client by cheque drawn in the Client's favour or by direct transfer to an account held in the Client's name. The Company reserves the right to decline requests to effect third party payments on behalf of the Client.

7. Reports and valuations

- 7.1 The Company shall send to the Client a report on and a valuation of the Portfolio on a quarterly basis as at the last business day in March, June, September and December respectively each year, unless alternative arrangements have been agreed upon. Such report and valuation will be dispatched as soon as practically possible after they have been prepared by the Company.
- 7.2 Investments comprised in the Portfolio will be valued at the mid market, close of business quotations as supplied to us by an external independent information source or at cost where there is no established market, unless otherwise agreed in writing. Dividends in respect of investments will be recognised on a receipt basis, foreign currency holdings will be converted to the designated base currency based upon rates obtained from such source as the Company shall from time to time determine and interest will be reflected on an accruals and actual basis.
- 7.3 A statement of the performance of the Portfolios shall be included in each report to the Client and shall identify, in actual and percentage terms, the change in the value of the Portfolio from the date of the previous report.
- 7.4 In the event that this Agreement is terminated, no further valuations will be sent to the Client by the Company following such termination.

8. Fees and commissions

- 8.1 The Company will charge a quarterly service fee (payable quarterly in arrears, unless a different basis has been agreed with the Client) at the rate specified in the Company's Fee Schedule in force from time to time as being applicable for the type of investment service provided to the Client, based upon the market value of the Portfolio (including any amounts held in cash) determined in accordance with clause 7.2. This fee will be calculated as at the last business day of March, June, September and December respectively in each year (each a "Valuation Date") according to the latest valuation of the Portfolio available at the relevant Valuation Date and deducted from the Portfolio shortly thereafter. However:
- If a Portfolio is established on a date other than a Valuation Date, then the first fee will be calculated on a pro rata basis by reference to the proportion represented by the number of days from the date of inception of the Portfolio until the next Valuation Date as compared to the number of days between each Valuation Date.
 - If there is a significant addition to or withdrawal from a Portfolio during the quarter, the Company reserves the right to use a different basis for the calculation of the service fee.
 - If the Agreement is terminated or temporarily suspended, a fee will be calculated on a pro-rata basis in accordance with clause 21.6(a).
- 8.2 The service fee includes the provision to the Client of one copy of each quarterly report and valuation of the Portfolio. The Company reserves the right to levy additional fees should the Client require multiple copies of reports and valuations, or should the Client require reports and valuations more frequently.
- 8.3 The service fee does not cover dealing charges and any other costs incurred by the Company in effecting transactions on behalf of the Client. Such charges and costs will be borne by the Client and debited directly to the Client's Portfolio.
- 8.4 The Company and any associate thereof shall be entitled to retain any commission which would or may become payable to it notwithstanding that such commission is payable as a direct or indirect result of any dealing with property which is or may become part of the Portfolio and any associate of the Company being a banker, broker, investment adviser or engaged in any other profession, business or trade may without accounting for any resultant profit act in such capacity and perform any service in relation to the Portfolio and on the same terms as with a customer.

- 8.5 In addition to the service fees chargeable in accordance with clause 8.1, the Company is entitled to reclaim its reasonable expenses and costs (including time costs) in connection with the services provided or matters relating thereto.

9. Authority to act

- 9.1 The Client warrants that the Client is the sole beneficial or legal owner of the Portfolio monies, has full and unrestricted power to employ the Company to provide the type of investment services specified in the Investment Instructions Form and has the powers to delegate the custody of investments.
- 9.2 The Client confirms that, unless the Client has notified the Company in writing that the Client is operating the account on behalf of any third party or parties and has provided the Company with the name or names of the third party or parties concerned, the Client is not operating the account on behalf of any third party or parties. The Client acknowledges that the Company reserves the right to refuse to open or continue to operate any account that the Client wishes to operate on behalf of any third party or parties at the Company's absolute discretion. The Company may do this without giving the Client any reason.
- 9.3 The Client shall notify the Company if they wish to have the account operated by a third party and will provide the Company with the name or names of the third party or parties concerned.
- 9.4 The Client warrants that any investments placed with the Company for inclusion in a Portfolio managed by the Company are and, (unless otherwise expressly agreed in writing) will remain free from any charge or other encumbrance.
- 9.5 Notwithstanding clause 9.1 the Client shall indemnify and hold harmless the Company, its appointed sub custodians and all of its associates against all and any demands, claims, or actions by any persons (other than the Client) claiming to be entitled to any or all the investments and/or monies and/or other property at any time comprising the Portfolio.
- 9.6 The Company reserves the right to refuse to execute any instruction if it determines, at its absolute discretion, that:
- the execution of such instruction would contravene the laws of any jurisdiction; or
 - it is appropriate to do so in the interests of the Client.
- 9.7 If the Company suspects or has been notified that:
- the account and/or property held is being used for illegal purposes; or
 - there is a dispute over the ownership of part or all of the account and/or property held; or
 - the account monies and/or property are not owned by the Client; or
 - the account monies and/or property or persons connected thereto appear to be connected to any individual or entity that is subject of a regulatory or international sanction; or
 - there is a dispute between joint account holders or the officers of a Client that is a corporate body; or
 - there is a death, incapacity, insolvency, bankruptcy, winding up or dissolution of a Client;

then, until the matter is resolved to the Company's satisfaction, the Company may either (i) freeze the Portfolio in whole or in part and refuse to carry out transactions or otherwise operate the account normally; or (ii) limit any transactions contemplated within the Company's discretionary mandate to those which the Company considers will conserve, rather than enhance, the value of the Portfolio. In such circumstances, the Company may take professional advice and the Company shall incur no liability for any direct or indirect loss or profit or loss of profit to the Client or any other person.

- 9.8 The Client hereby undertakes to ratify each transaction effected by the Company pursuant to this Agreement and shall indemnify and hold harmless the Company against all and any liabilities, costs, claims and demands incurred by or made against the Company, its duly appointed sub custodians and all of its associates in connection with any and all such transactions effected by the Company in respect of the Client's Portfolio.
- 9.9 During the continuance of the Agreement, the Client shall not seek to deal in or otherwise effect transactions in investments comprising the DIMS Portfolio, unless prior written consent has been obtained from the Company.
- 9.10 Following the establishment of a DIMS Portfolio with the Company, the Company shall manage the said Portfolio on behalf of the Client on a discretionary basis until written notice to the contrary is received by the Company from the Client.

10. Deal execution and use of brokers

- 10.1 We will at all times endeavour to obtain the best price reasonably available to us in dealing for you. We may however combine your purchase and sale orders with our own and those of associated companies, persons connected with us and other clients (not so connected). Aggregation in this way usually results in your obtaining a more favourable price but on occasions may result in your receiving a less favourable price than if your order had been executed separately.

10.2 Deals will be effected by us or a party appointed by us acting either as principal or as agent. Transactions effected in the capacity as agent will be executed through brokers designated by the Company or a party appointed by us at its absolute discretion. Where such brokers have relevant arrangements with the Company or any member of the RBC Financial Group, transactions which are effected for the Client with or through the broker shall be effected at a standard rate, details of which are reflected in the Company's dealing policies as outlined in the Brochure.

11. Acting for other investors

The Company has the right, when giving advice or undertaking a transaction or series of transactions, to act in relation to similar transactions or a series of transactions for other clients in addition to the Client without prior reference to the Client.

12. Securities and bond lending

The Company may engage in securities and bond lending from time to time subject to the Client's written prior agreement. Securities and bond lending will only take place with counterparties whom we deem in our absolute discretion to be fit and proper and the revenue generated will be apportioned between the Client and the Company as agreed in writing from time to time.

13. Material interests

13.1 In providing the Discretionary Investment Management Service to the Client, the Company will only effect transactions which it considers suitable for the Client and when effecting those transactions will secure best execution of them.

13.2 Subject to clause 13.1 but without prejudice to the generality of clauses 8.4 and 13.3 hereof, the Company may, without consulting the Client, provide services under the Agreement notwithstanding that the Company or an associate of the Company has directly or indirectly a material interest of any description in any transaction concerned or recommended, or has a relationship of any description with another person such as to place it in a position where its duty or interest in relation to that other person may conflict with its duty to the Client.

13.3 Nothing in this Agreement or in law shall prevent:

- (a) the Company or any associate thereof from being employed or appointed in any capacity by the Company or any associate thereof in connection with this Agreement or the Portfolio;
- (b) the investment of the Portfolio or any part thereof in any securities or obligations of the Company or any associate thereof or in any company mutual fund, unit trust, partnership or other investment vehicle of any nature of which the Company or any associate thereof is an instigator, promoter, sponsor, trustee, adviser, director, manager, administrator, banker, custodian or partner;

and neither the Company nor any associates shall be liable to account to the Client for any profits, benefits, mark-ups or mark-downs, commissions or other remuneration received, made or derived in connection with any services provided under the Agreement and these Terms.

14. Exchange rate warning

Movements of exchange rates may have an effect which may be unfavourable or favourable on the gain or loss otherwise accruing to the investments contained in the Portfolio.

15. Relationship

The relationship between the Client and the Company is as described in the Agreement. Without prejudice to the generality of clauses 8.4 and 13.3 hereof, neither that relationship nor the services to be provided by the Company nor any other matters shall give rise to any fiduciary or equitable obligations which would prevent or hinder the Company, or an associate of the Company, in transactions with or for the Client, acting as both market maker and broker, principal or agent, dealing with an associate of the Company and other clients and/or generally effecting transactions as provided above.

16. Exclusions and limitations on liability

To the extent permitted by law:-

- 16.1 the Company assumes no responsibility or liability with respect to any custody or account arrangements made by the Company with or through any person or any acts, omissions or other conduct of any person having possession of the investments or monies in the Portfolio;
- 16.2 the Company assumes no responsibility or liability for any acts, omissions or other conduct of any broker; and
- 16.3 the Company cannot guarantee that the investments comprised in the Portfolio will not depreciate in value nor that they will not at any time be affected by adverse tax consequences, nor can it guarantee the amount of income (if any) arising from the Portfolio. The Company shall not be liable for

any error of judgement it may make or any loss or loss of profit suffered by the Client in connection with the services the Company provides under the terms of the Agreement (and in particular, but without limitation, the Company shall not be liable for any loss or loss of profit which may be sustained in the purchase, holding or sale of any investments in accordance with those services) unless such loss or loss of profit arises from fraud, wilful misconduct or gross negligence of the Company.

16.4 In the event of any failure, interruption or delay in the performance of the Company's obligations resulting from acts, events or circumstances not reasonably within the Company's control, (including but not limited to industrial disputes, acts or regulations of any government or any supranational bodies or authorities, or breakdown, failure or malfunction of any telecommunications or computer services or system(s)) the Company shall not be liable or have any responsibility of any kind for any loss or damage thereby incurred or suffered by the Client.

17. Disclosures

- 17.1 The Company shall not be obliged to disclose to the Client information:-
 - (a) the disclosure of which by the Company would or might be a breach of a duty or confidence to any other person; or
 - (b) which comes to the notice of any employee, officer, or agent or associate of the Company but does not come to the actual notice of the individual making the decision or taking the action in question.
- 17.2 The Company shall not be obliged to take into consideration any such information in making a decision or taking an action in connection with the management of the Portfolio.

18. Complaints

Should you be dissatisfied with any aspects of the services provided to you, you should write to the Company addressing your complaint to the Investment Manager responsible for your Portfolio or your other usual point of contact. Your complaint will then be dealt with in accordance with the Company's complaints procedures. A copy of the leaflet that explains the Company's complaints procedures will be made available upon request.

19. Information/confidentiality

- 19.1 The Client agrees that the Company may keep information regarding the Client and the Portfolio on its centralised database or on a centralised database of its Channel Islands administrative agent. The Company will only retain the information gathered for as long as necessary for the Company to provide investment services and for the period required by Guernsey Law.
- 19.2 The Company will provide the Client with a copy of any centrally held information, (if requested to do so by the Client, in accordance with the Data Protection (Bailiwick of Guernsey) Law, 2001, as the same may be amended or replaced.
- 19.3 In the event that the Client believes that any of the centrally held information is incorrect or inaccurate, the Client must notify the Company, so that the information can be updated or corrected.
- 19.4 The Client agrees that in the event that the Client communicates with the Company using e-mail or other electronic means, then the Company may monitor e-mails or other electronic traffic to gather information for purposes of security, marketing, statistical analysis and systems development.
- 19.5 The Client agrees that the Company may from time to time use RBC Financial Group's centralised systems and/or systems resources and/or specialist information technology employees in other countries such as Canada and the United Kingdom, whether or not those countries have equivalent Data Protection legislation to Guernsey and which may be outside the European Economic Area. This may result in certain client data being transmitted through or stored or processed in another jurisdiction and also being subject to the laws of that country. In this event, the Company shall use its reasonable endeavours to ensure that client data is protected to the standards which the Company applies.
- 19.6 The Company records the contents of telephone conversations and may monitor telephone calls both received by and made by employees of the Company. Any such recordings remain the property of the Company, and may be used by the Company in the event of a dispute.
- 19.7 Where telephone calls are made by the Company and recorded for direct marketing purposes, the Company will advise the Client at the beginning of any such call. If the Client does not wish to continue with a direct marketing telephone call, the Client should respond accordingly and the Company will terminate the call.
- 19.8 The Company will only use any e-mail address provided by the Client for direct marketing purposes where the Client has provided the Company with specific prior consent to do so.
- 19.9 The Company shall not disclose to any person the state of any Portfolio or any transactions relating thereto or any information relating to the Client (whether acquired before or after opening of the Portfolio was contemplated and whether from the Client or a third party) save:

- i) where the Company is compelled or permitted or required to do so by law by order of a court or governmental or administrative tribunal; or
 - ii) where disclosure is made at the Client's request or with the Client's consent, or if otherwise permitted by these Terms or where failure to make such disclosure would in the opinion of the Company be prejudicial to the Company, its nominees, advisers or agents; or
 - iii) where disclosure is made in accordance with clause 19.10.
- 19.10 The Company may at any time disclose details and information about the Client or the Client's Portfolio for the following purposes:
- i) to facilitate or otherwise assist in the provision of any investment services that the Client has applied for, including the provision of information to third party service providers or agents used by the Company from time to time;
 - ii) to service any of the Client's other relationships with RBC Financial Group;
 - iii) to provide the Client with information regarding products and services that the Company believes may be of interest to the Client. If the Client does not wish to receive this information the Client must notify the Company in writing;
 - iv) to meet the Company's or RBC Financial Group's regulatory and/or financial and/or other reporting obligations in Guernsey or elsewhere;
 - v) for the purposes of fraud prevention.
- 19.11 From time to time the Company or its sub-custodians may receive requests under the United Kingdom's Company's Acts of 1985 or 2006, or equivalent legislation of any other jurisdiction, to divulge information to a company or its agent regarding the ownership of, or parties with an interest in, shares (issued by the said company) that are registered in the name of the Company (or its nominees or sub-custodian) and form part of a Portfolio managed by the Company for a Client. The requested details or information may include the identity and address of the Client. The Company's policy is not to disclose such information on receipt of a request until such time as we receive verbal or written authority from the Client to do so. Should the Client decide to not give this authority, a company may impose restrictions which can include withholding of dividends or other rights or otherwise disenfranchising the shareholder.

20. Assignment

The Portfolio shall not be assigned by the Client without the prior written consent of the Company. Subject to any laws, regulations or rules, the Company may at any time assign its rights and obligations under this Agreement to another member of the RBC Financial Group or a company or firm authorised to carry on investment business in the jurisdiction in which it operates.

21. Termination or temporary suspension

- 21.1 This Agreement may be terminated by either party at any time immediately on written notice effective on receipt.
- 21.2 This Agreement shall terminate automatically in the event that:-
- (a) the Client has a bankruptcy petition presented against him (if an individual) or suffers a receiver, administrative receiver, administrator or liquidator to be appointed over it or any of its assets (if a body corporate) or other equivalent procedures in any jurisdiction; or
 - (b) the Client is unable to pay its lawful debts as they mature; or
 - (c) a distress has been levied upon or other execution has been effected against the whole or any part of the property of the Client; or
 - (d) the Client takes up residence in a country where the Company is not permitted or authorised to provide investment services to residents of that country.
- 21.3 In the event that the Client wishes at any point in time to temporarily suspend the discretionary powers granted to the Company in respect of a DIMS Portfolio, then they must duly notify the Company in writing. Upon receipt of such a request, the Company will have the right to decide whether it is prepared to agree to the Client's request or to give formal notice of the Company's decision to terminate the Agreement. Should the Company agree to the Client's request, then it will:
- (i) immediately cease to manage the Portfolio on a discretionary basis for the Client and take no further action whatsoever in respect of the holdings held in the Portfolio for a maximum period of 30 days, by which time the discretionary powers must have been either re-instated by receipt of written instructions from the Client to this effect or the Agreement duly terminated;
 - (ii) write to the Client confirming that the Company is no longer managing the Portfolio, the assets contained within the Portfolio are now being held on a custody only basis and that during the period of the temporary suspension of the discretionary powers, the Client will be solely responsible for managing the Portfolio and any consequences arising there from.

- 21.4 Termination of the Agreement or temporary suspension of the discretionary powers granted to the Company shall be without prejudice to the completion of any transactions already initiated in respect of the Portfolio. The Company shall initiate no further transactions in the Portfolio after the date termination takes effect.
- 21.5 Should the Agreement be terminated the Client acknowledges that they will be required to provide the Company with instructions as to where to transfer the assets held, either in kind or following liquidation. Should the Client fail to provide the Company with such instructions, either for the whole or part of the Portfolio, the assets or remaining assets will be held by the sub custodian as bare trustee. In such circumstances:
- (a) the Company will provide reasonable information in order to allow the Client to issue transfer instructions but will provide no recommendations or analysis regarding assets remaining in the Portfolio; and
 - (b) the sub custodian may dialogue directly with the Client regarding its costs for the provision of custody services to the Client.
- 21.6 No penalty will be imposed on the Client on termination of the Agreement but the Company will however be entitled to charge the Client:-
- (a) a service fee (which will be calculated on a pro rata basis by reference to the proportion represented by the number of days from the last Valuation Date up to the date of termination as compared to the number of days between each Valuation Date); and
 - (b) any expense necessarily incurred by the Company in terminating the Agreement or directly attributable to the termination of the Agreement; and
 - (c) any losses necessarily realised in settling or concluding outstanding obligations.
- 21.7 The client acknowledges that upon termination of the Agreement, the Company may be compelled to liquidate for cash any investment in a DIMS Portfolio where the terms of such investment do not allow for the transfer to another service provider. In such circumstances, the Company shall not be liable for any loss or loss of profit.
- 21.8 To the extent permitted by law, clauses 16 and 19 will continue in full force and effect (together with any other provisions necessary to make them operable) despite termination of this Agreement.

22. General

- 22.1 Any notices under these Terms shall be delivered to:
- (i) the Company at its registered office; and
 - (ii) the Client at the last address shown in the records of the Company; and may be sent by telefax or by prepaid post and shall be deemed to be received in the case of telefax immediately and in the case of prepaid post 72 hours after posting.
- 22.2 The Client hereby authorises the Company to telephone the Client to discuss matters relating to the services being provided.
- 22.3 The Client warrants to the Company that the Portfolio monies and assets are not derived from or otherwise connected with any illegal activity and that the Client is not a company that has issued or has the capacity to issue bearer shares.
- 22.4 The Client acknowledges that:-
- (a) information and documents to verify the identity and background of the Client and all signatories and other parties to the account will need to be provided to the Company before an account will be opened and/or any amendments made to it;
 - (b) the Company may require personal and/or financial information or documentation from the Client regarding the source of monies or other property to be placed in the Portfolio or the source of the Client's wealth before an account may be opened and/or operated normally. In these circumstances or where the Company is obliged to make enquiries at any time after the account is opened as to the source of monies or property placed in the account, the Client agrees to provide the information or documentation that will enable the Company to bring its enquiries to a satisfactory conclusion;
 - (c) failure to provide information or documentation regarding the source of monies or property placed in the Portfolio or the Client's source of wealth may impact on the Company's ability to open an account or to continue to operate an account normally;
 - (d) in the case of an account for an executor or legal body (such as a company, trust, or partnership), certain additional information will be required;
 - (e) the Company will not provide services or accept any monies or property until such time as all account opening formalities have been completed. In the event that monies or property are received by the Company prior to completion of account opening formalities, the Company may at its sole discretion return the monies and/or property. In such circumstances, the Company is not liable for loss of interest, income, profit or loss incurred or suffered directly or indirectly by the Client.

- 22.5 The Company may refuse to open an account or to accept monies or property at the Company's absolute discretion without giving any reason, and the Company will not enter into correspondence in these circumstances.
- 22.6 The Client hereby acknowledges that the Client has taken independent tax advice in connection with the Client's liability (if any) to account to the revenue authorities in the Client's country of domicile or residence in relation to the Portfolio.
- 22.7 These Terms shall be binding upon the Client and its permitted assigns and (where the Client is a company) its successors in title and (where the Client is an individual) such individual's heirs and personal representatives. Where the Client comprises more than one person, then on the death of one of them the Company shall be entitled to treat the survivor as the only person entitled to the Portfolio.
- 22.8 The Company shall be entitled where the Client comprises more than one person, to act on any instruction, notice, claim, demand, acknowledgement or request (whether or not relating to withdrawals from the Portfolio or the termination of the Agreement or a Client's request to temporarily suspend the discretionary powers granted to the Company) signed in accordance with the signing authority specified in the Client's Investment Management Service Agreement. The Company need not enquire as to that person's authority and the person shall be able to give the Company an effective and final discharge in respect of its obligations hereunder.
- 22.9 Where the Client comprises more than one person:
- (a) should the Company receive instructions that conflict or appear to conflict with instructions given by another account holder the Company may refuse to act on either or both instructions until the conflict is resolved;
 - (b) the Company reserves the right to request that instructions from the Client be signed by all account holders regardless of any previous mandate that has been given to the Company by the Client.
- 22.10 The Client authorises the Company to correct any errors which may occur in respect of the Portfolio without their further authority.
- 22.11 The Client warrants to the Company that the Client will verify the correctness of each valuation or statement received from the Company and undertakes to notify the Company within 60 days of the preparation date of the valuation or statement, of any alleged omissions from or additions wrongly made to, or inaccurate entries in the Portfolio.
- 22.12 The Client authorises the Company to appropriate to itself any balances left on the Portfolio where there has been no Client initiated activity or no contact with or correspondence from the Client for a minimum period of 10 years. The Company shall make every reasonable effort to contact the Client and all subsequent valid claims will be honoured.
- 22.13 In the event that the Company accepts and acts upon telefax or telephone instructions purporting to emanate from the Client and signed or given in accordance with the authority specified in the Agreement, then the Company shall be exonerated from any liability for simple or honest mistake arising from misunderstanding or misinterpretation thereof, errors in transmission or abuse by third parties.
- 22.14 With regard to telefax or telephone instructions subsequently confirmed in writing, should there be a conflict between the Company's interpretation of the telefax or telephone instructions and the written instructions later received, the Company shall be entitled to rely on the telefax or telephone instructions if first believed that it had received, without any liability for mistake or error.
- 22.15 In the event that the Client wishes the Company to either hold or to purchase securities or bonds which will not form part of the DIMS Portfolio discretionary managed by the Company, then said securities or bonds will be held in a separate sub-portfolio on a custody only basis for the Client. The Client will be solely responsible for managing the securities or bonds held in the separate sub-portfolio and any consequences arising therefrom. No quarterly service fee will be charged in respect of the separate sub-portfolio, but standard dealing charges and custody fees will be levied.
- 22.16 These Terms may be amended by the Company giving notice in writing to the Client.
- 22.17 These Terms shall be governed by and construed in accordance with the law of the Island of Guernsey and the Client hereby submits to the non-exclusive jurisdiction of the Courts of Guernsey.
- 22.18 The relationship between the Client and the Company is as described in the Agreement and these Terms, which supersedes all previous agreements between us (if any) concerning the relationship. The Client acknowledges and confirms that the Client has not in entering into the Agreement and these Terms relied on any representation or documents other than the terms of the Agreement and these Terms.

Effective 1 July 2008

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