

# RBC Securities

## RBC SECURITIES ACCOUNT AGREEMENT AND DISCLOSURES

May 29 2026

**Non-Deposit Investment Products are:**

- not insured by the FDIC
- not a deposit or other obligation of, or guaranteed by, the Bank
- subject to investment risks, including the possible loss of the principal amount invested



# Welcome to RBC Securities

This document contains our Account Agreements and Disclosures required to open an Investment Account with RBC Securities, Inc. ("RBCS"). Before completing and signing the Account Application or any forms or agreements, please be sure to read carefully and understand the applicable sections of this booklet.

We have tried to write the Account Agreements and Disclosures in a way that is easy to understand. If you have questions concerning the information we have presented or the Account Application to open an Investment Account, please contact your Advisor.

In order to provide you with a full array of brokerage services, RBCS has entered into an agreement with National Financial Services, LLC ("NFS"), to perform certain execution, settlement and clearing functions for RBCS. Thus, you will see references to NFS, as well as RBCS in your documents, on your monthly account statements and on transaction confirmations.

Before you may open an Investment Account, you must furnish RBCS with the information called for on the Account Application. If you wish to participate in Option Trading and/ or Margin Trading, you must execute additional separate agreements.

When RBCS accepts your Account Application, RBCS is agreeing to serve as your broker and to maintain an account for you, subject to our acceptance of an authorized order to buy, sell, or otherwise dispose of securities for you according to your instructions. RBCS and NFS also agree to provide various services and features, as described below. Unless specified otherwise, RBCS and NFS have no fiduciary responsibilities to you with respect to your accounts. RBCS does not offer any tax or legal advice.

As one of the services available through your Investment Account with RBCS, you can purchase shares in a variety of mutual funds. RBCS and its affiliates receive a variety of fees from a certain number of these mutual funds. These fees include, but are not limited to, concession fees and fees for shareholder servicing, administrative services and investment management. Fees and other matters are covered in the applicable fund prospectuses and any accompanying materials for the mutual funds offered to you. It is important for you to read such prospectuses carefully before investing in them. If you have any questions about any aspect of RBCS or its affiliates' relationship with the mutual funds it offers or their distributors, please call your investment officer.

RBC Securities, Inc. ("RBCS") is a member of FINRA and SIPC. RBCS is a wholly-owned subsidiary of City National Bank ("CNB"). CNB is a wholly-owned subsidiary of RBC USA Holdco Corporation, which is a wholly-owned subsidiary of Royal Bank of Canada ("RBC"). Brokerage services and investment accounts are provided by RBCS, not CNB.

Mutual fund shares and other securities are not bank deposits, nor are they obligations of, or guaranteed by City National Bank. Mutual fund shares and other securities are not insured by the Federal Deposit Insurance Corporation (FDIC). Investing in mutual funds and other securities involves risks, including possible loss of principal. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.

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# RBC Securities, Inc. Investment Account Agreements and Disclosures

These Investment Account Agreements and Disclosures (“Agreements and Disclosures”) contain important information regarding your investment account with RBC Securities, Inc. (“RBCS”). Your acceptance of the Agreements and Disclosures contained herein is a condition to your having an account with RBCS. Please read it carefully and retain a copy for your records. Please be aware that the information contained in these Agreements and Disclosures is subject to change without notice.

## General Brokerage Services

**1-1. Opening, Monitoring & Terminating Your Account** – You request that RBCS open an investment account (“Account”) in the name(s) or registration listed as Account holder(s) on the RBCS Account Application. You warrant and represent that the information you provided on your Account Application is accurate, truthful and reliable. You understand RBCS has the right to deny or accept your Account Application. For the name and address of any credit reporting agency from which RBCS or NFS has obtained information about you, send a written request to us or the card issuer, as applicable.

There are no minimum balance requirements to open an account, but certain annual fees may apply if your account is inactive and you do not maintain certain balances. Review the RBC Securities Commission and Transaction Fee Schedule for additional information.

As an account owner, you are responsible for monitoring your Account. RBCS does not monitor your account unless we stipulate in writing that we will monitor on a periodic basis solely for the purpose of providing securities transaction recommendations. Your responsibility to monitor includes making sure that all transactions are accurate and that you are receiving confirmations, account statements, and any other expected communications. It also includes reviewing these documents to see that information about your Account is accurate and contains nothing suspicious. You understand that RBCS and NFS do not monitor your Account for you and have no duty to advise you of any issue regarding your account or us.

So long as RBCS or NFS send communications to you at the physical or electronic address of record given on the Account Application, or to any other address given to us by an owner, the communications are legally presumed to have been delivered, whether you actually received them or not. In addition, confirmations are legally presumed to be accurate unless you specifically tell us otherwise within five (5) days of when they were sent to you; account statements, within 10 days.

If you have not received a communication you expected, or if you have a question or believe you have found an error in any communication from RBCS or NFS, telephone RBCS immediately, then follow up with written notice.

RBCS or NFS can terminate your Account or this Account Agreement (“Account Agreement” or “Agreement”) at any time, for any reason, upon written notice to you. You can close your Account, or terminate any optional feature, by notifying us in writing or by calling us. When an Account is closed, all features associated with it are terminated.

Regardless of how or when your Account is closed, you will remain responsible for all unpaid obligations of your Account. This includes charges, debit items, or other transactions you initiated or authorized, whether arising before or after termination, as well as any fees incurred but not yet charged to your Account. Payment for these obligations will be deducted from your final account balance.

**1-2. Required Information** – You certify that all Account holders are of legal age and have the authority to enter into this Agreement and no one except the undersigned has any interest in this Account unless revealed in the title stated on the Account Application. You agree to provide complete and updated information necessary to your account, such as your legal name, residence, telephone number(s), Social Security number, Taxpayer ID number and/or employer as changes occur.

**1-3. Multiple Account Holders** – You agree if there is more than one Account holder, all Account holders’ obligations under this Agreement shall be joint and several. Each Account holder, jointly and severally, agrees that each of them shall have authority on behalf of the joint account to buy, sell and otherwise transact in the Account.

**1-4. Recording Conversations** – You acknowledge and agree that RBCS may record or monitor telephone conversations between you and any of RBCS’ employees for quality assurance and to verify securities transaction information. You consent to such recording or monitoring.

You agree to not record any telephone conversation without the express written authorization of RBCS and the individuals engaged in the conversation.

**1-5. Investor Responsibility** – You agree that securities traded in your Account are your sole responsibility. You are responsible for knowing the rights and terms of all securities held in your Account. You understand that certain securities may grant valuable rights that may expire worthless unless the holder takes action. Such securities may be as follows: warrants, bonds and securities subject to tender or exchange offer.

**1-6. Investment Opportunities** – RBCS may, from time to time, endorse or identify suitable investment opportunities based on an analysis of an entire portfolio and bring them to the general attention of its customers, or recommend particular bonds, unit investment trusts and mutual funds to certain customers. Except for such recommendations, RBCS does not provide research. Discretionary accounts outside the RBCS Advisory Program or RBCS Asset Allocation Program are offered on an exception basis only. Accordingly, you must make an independent investigation concerning the merit and suitability of the securities you purchase or sell and the degree of risk they represent. You assume full responsibility with respect to transactions in or for your Account and your investment decisions. Your execution of the Account Application constitutes acknowledgement of the foregoing and RBCS and NFS will rely on this acknowledgement in opening and rendering services to you on your Account. Your obligation includes an affirmative duty to monitor and stay informed about the Account and your investments and respond to changes as you deem appropriate. Unless RBCS otherwise agrees in writing, RBCS does not have any discretionary authority or obligation to monitor the investment of securities or cash in the account.

**1-7. Scope and Terms of Relationship** – RBCS offers recommendations for investments and execution of those recommendations upon the customer’s approval. These recommendations could include any investment from our approved products list including municipal, government, corporate and agency bonds, mutual funds, exchange traded funds (“ETFs”), preferred stocks, Unit Investment Trusts (“UITs”), certificates of deposits, private placements and structured notes. RBCS also offers a variety of account types to hold investments including individual and joint accounts, transfer on death accounts, individual retirement accounts, retirement plans, health savings accounts, custodial and trust accounts, Coogan accounts, business entity accounts (corporations, LLCs, LPs, etc.), and 529 plans. See Sections 1.32 to 1.35 below for details about some of these account registration types.

RBCS representatives may also be registered as investment advisors. Any recommendations of securities under these Agreements and Disclosures will be recommendations in which RBCS is acting as a broker-dealer, not as an investment advisor. RBCS representatives only registered as a broker may offer advisory services through CNB or an affiliate.

**1-8. Scope of Approved Recommendations** – Investment products offered by RBCS are reviewed by RBCS management on an annual basis. Mutual funds, UITs and 529 plan products are made available to you with a choice of asset classes, risk and tax profiles.

**1-9. “Best Interest” Basis for Recommendations** – If you are a retail customer, any transaction recommended by your RBCS Advisor must be in your best interest considering your investment objective, risk appetite, time horizon, and financial and tax status. A retail customer is defined as a natural person or the legal representative of a natural person. For purposes of defining a retail customer, legal representative is defined to cover only non-professional (i.e., non-regulated) legal representatives, such as nonprofessional trustees, executors, conservators and persons holding a power of attorney for a natural person.

You may have unique needs as communicated to us that will be considered in developing a recommendation that is in your best interest. All investments, including those that are recommended by your Advisor, are subject to your express authorization to make such investments.

#### **1-10. General Risks Associated with Recommendations**

- a. **Equity Securities** – The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments.
- b. **Emerging Markets** – Many of the risks with respect to foreign investments are more pronounced for investments in developing or emerging market countries such as many of the countries of Asia, Latin America, Eastern Europe, Africa and the Middle East. Emerging markets can have greater custodial and operational risks; less developed legal, regulatory and accounting systems; and greater political, social and economic instability than developed markets.
- c. **Municipal Bonds** – Municipal bonds rely on revenues including taxes and revenues from public and private projects to pay interest and principal on municipal debt. The payment of principal and interest on these obligations may be adversely affected by a variety of factors at the state or local level, including poor statewide or local economic results, changing political sentiments, legislation, policy changes or voter-based initiatives, erosion of the tax base or revenues of the state or one or more local governments, natural disasters, or other economic or credit problems.
- d. **Fixed Income and Debt Securities** – Investment in fixed income and debt securities such as bonds, notes and asset backed securities subject a client’s portfolio to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio’s income will decline because of falling interest rates. Bonds and bond mutual funds will decline in value as interest rates rise.
- e. **Structured Products** – Structured products generally refer to investments whose returns are linked to the performance of one or more underlying benchmarks, such as interest rates, equity markets, commodities, corporate credits or foreign exchange markets. Structured products are “structured” in the sense that in addition to being linked to an underlying benchmark, each type of structured product has its own set of prescribed attributes (e.g., investment return, allowable leverage, tax features, etc.). The risk and return profile varies greatly depending on the assets held in the underlying product. It is essential that you review and understand each product’s information statement regarding expected performance and volatility.

**1-11. Clearing & Custodial Services** – RBCS has an arrangement with NFS, a New York Stock Exchange Member, to provide clearing and custodial services. By signing the Account Application, you understand and agree to comply with this arrangement. You authorize NFS to act as custodian for the assets in your account(s) with RBCS. NFS is carrying your Account as clearing broker under a clearing agreement with RBCS. Please understand that RBCS is not acting as an agent of NFS and you agree that you will in no way hold, or seek to hold, RBCS, NFS or any division, officer, director, employee and/or agent thereof liable of any trading losses or other losses incurred by you. You understand and agree that any rights either NFS or RBCS has under these Agreements and Disclosures may be exercised by either NFS or RBCS, including but not limited to, the right to collect any debt balance or other obligation owing in your Account and that NFS and RBCS may collect from you or enforce any other rights under this Agreement independently or jointly.

**1-12. Bulk Segregation & Callable Securities** – Securities are maintained in NFS custody for your benefit under a method known as “Bulk Segregation.” Under this method, certificates are not specifically assigned to each security account, but are held in bulk for all customer positions. You enjoy all the rights and privileges of beneficial ownership under the bulk system, and you may request and obtain possession of specific certificates from those entities which have their securities in certificate form anytime you wish.

NFS is a member of various depository facilities, such as the Depository Trust Company (“DTC”), and portions of the securities held in safekeeping by NFS are on deposit in bulk segregation form with such depositories.

Certain bonds and preferred stocks are callable by the issuer for redemption on or after a certain date. According to the terms of the issue, the issuer may at times call only a portion of a certain issue. In the event of a partial early redemption of callable bonds or stocks, NFS will choose the securities to be redeemed on a random selection basis. Therefore, it is possible that a client owning such an issue may have all, part of or none of his or her holdings redeemed.

**1-13. Safeguarding Your Securities** – Your assets that remain in NFS’ custody are insured against loss from fire, theft and forgery under mandated insurance programs and protected against business failure under the federally backed Securities Investor Protection Corporation (“SIPC”) and the additional insurance coverage discussed in Section 1-26.

If you decide to accept delivery of your certificates, it is suggested that you safeguard them as follows:

- a. Keep certificates in a safe deposit box.
- b. Do not endorse certificates until you are ready to deliver them.
- c. Use registered or certified mail when mailing endorsed certificates.
- d. Note your certificate numbers on a separate sheet of paper and keep this record in a secure place separate from the securities.

**1-14. Account Characteristics** – You have two options for handling account proceeds and cash balances, and for settling transactions (Proceeds Option).

- a. **Hold Proceeds** – If you select this option, your Account will include a core account that is used for settling transactions and holding credit balances (“Core Account”). We will provide you with different cash sweep vehicles, including the CNB Deposit Sweep Program and the City National Rochdale Government Money Market Fund (each a “Core Account Investment Vehicle” and more fully described below). Amounts credited to your Account will be invested in the Core Account Investment Vehicle. You authorize RBCS and NFS to hold any cash balance in your Account and invest it nightly, and to pay for securities purchased by debiting on Settlement Date, the Core Account Investment Vehicle. You understand that RBCS or NFS can change the Core Account Investment Vehicle available for your Account at any time, including changing the share class utilized where the Core Account Investment Vehicle is the City National Rochdale Government Money Market Fund or another money market fund. If a particular money market fund share class or money market fund is no longer available via the cash sweep, you authorize RBCS and NFS to transfer, exchange and/or convert any existing shares/balances in the City National Rochdale Government Money Market Fund into another share class of the City National Rochdale Government Money Market Fund or another money market fund. If you are or become a non-US customer, cash in your Account will be held as a free credit balance or as a cash position.
- b. **Daily Bank Settlements (“DBSX”)** – If you select this option, you authorize RBCS and NFS to transfer any cash balance in your Investment Account, whether from dividends, interest, proceeds from a sale or otherwise, to a specified CNB account, and to pay for securities purchased by debiting on Settlement Date from the same CNB account. Retirement Accounts, with the exception of Non-Prototype Retirement Plans, are not eligible for this option. Accounts that select the DBSX option may still invest in the City National Rochdale Government Money Market Fund but are not eligible for the CNB Deposit Sweep Program. For Accounts that select the DBSX option and invest in the City National Rochdale Government Money Market Fund, you understand that RBCS or NFS can change the share class utilized at any time and you authorize RBCS and NFS to transfer, exchange and/or convert any existing shares/balances in the City National Rochdale Government Money Market Fund into another share class of the City National Rochdale Government Money Market Fund.

**1-15. CNB Deposit Sweep Program** – If you select the Hold Proceeds Option, and the CNB Deposit Sweep Program as your Core Account Investment Vehicle, you will receive the CNB Deposit Sweep Program’s Disclosure document, which includes a description of the CNB Deposit Sweep Program; the CNB Deposit Sweep Program’s fees and charges; and the differences between SIPC protection and FDIC insurance.

The following provisions apply to the CNB Deposit Sweep Program:

- a. Cash balances in your Account will be automatically swept into an interest-bearing deposit account at City National Bank (“CNB”), a federally insured banking institution as more fully described in the CNB Deposit Sweep Program Disclosure document.
- b. All deposits (for example, deposits you may make at CNB outside of the CNB Deposit Sweep Program plus the CNB Deposit Sweep Program cash balance) held by an individual in the same insurable capacity at CNB are aggregated and insured up to \$250,000. Joint accounts owned by two or more individuals are insured up to \$250,000 for each co-owner (again, in the aggregate for all joint account CNB Deposit Sweep Program and non-CNB Deposit Sweep Program joint account balances) at CNB. Special rules apply to insurance of trust deposits. Refer to the CNB Deposit Sweep Program Disclosure document for more information on FDIC insurance coverage. All FDIC insurance coverage is in accordance with FDIC rules.
- c. RBCS, CNB and NFS will not monitor the total amount of your CNB Deposit Sweep Program balance or other balances at CNB to determine whether they exceed the limit of applicable FDIC insurance. **You are responsible for monitoring the total amount of your deposits with CNB (including accounts at CNB held in the same insurable capacity) in order to determine the extent of FDIC insurance coverage available to you on those deposits, including your CNB Deposit Sweep Program balance.** If you are a trustee or other fiduciary, you are responsible for determining the application of the insurance rules for the account and its beneficiaries. Information on account protection is set forth below. Refer to your CNB Deposit Sweep Program Disclosure document for more information on FDIC insurance coverage.
- d. Interest on your CNB Deposit Sweep Program balance is accrued daily, compounded monthly, and is reflected on your Brokerage Account statement as of the last business day of the statement period. Interest on your CNB Deposit Sweep Program balance begins to accrue on the business day funds are received by CNB, which will typically be the business day following the day your Brokerage Account reflects a cash balance. Generally, interest will accrue to your CNB Deposit

Sweep balance through the business day preceding the date of withdrawal from CNB (which will typically be the day on which a withdrawal of funds is made from your Brokerage Account). Non-business days occurring between the day your cash balance is moved from your Brokerage Account and deposited with CNB will be included in the interest accrual.

- e. The CNB Deposit Sweep Program is the default Core Account Investment Vehicle for all eligible Accounts and Account holders that have selected the Hold Proceeds Option. You may select as an alternative to the CNB Deposit Sweep Program a Money Market Fund either on your Account Application, or by contacting your Advisor.

**1-16. City National Rochdale Government Money Market Fund** – If you select the DBSX Proceeds option, or you select the Hold Proceeds Option and the Automatic Investment in the City National Rochdale Government Money Market Fund (the “Fund”) option as your Core Account Investment Vehicle, you will receive the Fund’s prospectus. The following provisions apply to the Fund:

- a. You hereby appoint RBCS and NFS as your agents for the purpose of buying, selling and holding shares of the Fund. You acknowledge that you have received and reviewed a current prospectus for the Fund. You hereby direct RBCS and NFS to place orders to purchase or redeem Fund shares and to debit and credit your Account. RBCS and NFS are authorized to place and withdraw orders in accordance with this Agreement, combine your orders with orders of other customers and to take any other steps RBCS and NFS consider reasonable to carry out your directions or to protect themselves in the event you breach any of your obligations under this Agreement. RBCS and NFS may register your Fund shares in the name of RBCS or NFS or their nominee as shareholder of record for your sole benefit. RBCS and NFS will hold your Fund shares in an account separate from any other account at RBCS or NFS and will maintain appropriate records of Fund shares purchased or redeemed for you, as well as earnings on your Fund shares.
- b. RBCS and NFS will place orders for Fund shares only on days when RBCS, NFS and the New York Stock Exchange are open for business. RBCS and NFS reserve the right to refuse orders for any reason.
- c. Purchases of the Fund in your account begin to earn dividends the business day following the day on which a deposit is made to your Account. Dividends are earned through the day on which funds are redeemed from the Fund. For example, a deposit to your Account which is made on Monday and withdrawn on Tuesday will earn a dividend for one (1) day, based on the daily dividend factor in effect on Tuesday, not Monday. A deposit made on Friday and withdrawn from the Fund on Monday will earn a dividend for one (1) day, based on the daily dividend factor in effect on Monday. A deposit made on Thursday and withdrawn from the Fund on Friday will earn a dividend for three (3) days, based on the daily dividend factor in effect on Friday.
- d. Although Fund dividends accrue daily, such dividends are paid monthly. Dividends on your Fund shares will be reinvested in additional Fund shares or, at your request, paid in cash when received by RBCS and NFS. The methods used by the Fund to calculate dividends are disclosed in the prospectus and statement of additional information for the Fund.
- e. This authorization will remain in effect until (a) RBCS or the Fund receives written notification of termination from you in such time and manner as affords RBCS or the Fund a reasonable opportunity to act on it, (b) RBCS or the Fund has sent you 10 days’ prior notice of termination, or (c) your Account is closed for any reason. Upon termination of this Agreement, RBCS and/ or NFS will liquidate all Fund shares held for you as promptly as reasonably possible, pay the proceeds to you and close your Fund account. Dividends accrued before termination will be forwarded to you following the end of the month in which termination occurs.
- f. Please check with your state or local tax office or your tax advisor to determine whether your state allows you to exclude some or all of the income you earn from the money market fund as it invests in direct U.S. government obligations. RBCS does not provide tax advice. For more information about state taxation issues, please go to [www.citynationalrochdalefunds.com](http://www.citynationalrochdalefunds.com) and/or review the prospectus.

**1-17. Sufficient Funds & Settlement Accounts** – You will not buy any security through your Account unless there are, or by the “Settlement Date,” will be, sufficient funds in the Account to make full cash payment. The Settlement Date is presently one (1) business days following the transaction for stocks, options, ETFs, corporate and municipal bonds, government securities, UITs, and certain mutual funds. Federal Reserve Board Regulation T and certain stock exchange rules require settlement of the purchase or sale of securities on Settlement Date. Regulation T requires us to liquidate securities for which prompt payment is not received. In that event, you will be responsible for any resulting loss and will not be entitled to any gain. In addition, your Account will be restricted from trading for 90 days.

As described in Section 1-14, you may elect to settle all transactions through your Core Account Investment Vehicle or through your CNB account, as designated on the Account Application (“Settlement Account”). If you so elect, you agree that on Settlement Date, RBCS and NFS may debit your Settlement Account for payment of securities purchased. RBCS will also credit your Settlement Account with proceeds from the sales of securities. You agree that a debit to your Settlement Account, for the purpose of purchasing securities, will not result in the accessing of any overdraft credit line or other credit feature.

If you elect to settle all transactions through your Account, transactions will settle through your Core Account Investment Vehicle as described above and designated on the Account Application. If you so elect, you agree that RBCS or NFS may liquidate funds from your Core Account Investment Vehicle it deems necessary to pay for securities purchased by Settlement Date or other debits, and sweep funds or purchase money market fund shares, as applicable, with proceeds from sales of securities or other credits.

**1-18. Securities Sales & Ownership** – You agree not to sell any security through your Account unless you then own the security and it is either on deposit with NFS and in good deliverable form (this excludes margin account short sales). The proceeds of a sale will be either retained in your Account or, if you so request, the funds will be mailed to you. You may also request that sale proceeds, dividends and interest be automatically deposited to your City National Bank account by electronic funds transfer or reinvested in a money market fund at your direction.

When you open an Account, all securities will be held by NFS for your Account in “street name”. If you wish to take possession of your securities, you must inform RBCS when you open your Account. It usually takes a minimum of three (3) weeks for stocks to be registered in your name, but occasionally there are longer delays in delivering certificates. If your securities are registered in street name, NFS receives your dividends or interest and credits your Account on or shortly after the payment date. Corporations pay for the distribution of their proxy materials and other information to street name accounts. NFS contracts with an outside source to forward these materials to you, including annual reports, quarterly reports, and meeting notices. NFS’ contractor also makes every effort to notify you of any subscription rights received for your Account. However, NFS and its outside contractor are not obligated to forward any material to you unless the corporation furnishing it reimburses the expenses incurred in mailing. Allowing NFS to hold securities for your Account in street name offers the advantage of simplicity because it is not necessary for you to deliver a certificate when you sell. See Section 1-13 [Safeguarding Your Securities](#).

**1-19. Forms of Payment** – RBCS will accept funds by personal check, cashier’s check or wire transfer. All checks must be made payable to our clearing firm, National Financial Services, LLC. You agree RBCS has the right to hold any check or proceeds for as long as it takes for the funds to be deemed as good funds. You agree that once a trade is placed, securities are held in street name in your Account.

Note that while incoming checks will begin to earn dividends or interest upon deposit, you may have to wait up to four (4) days before being able to draw on the proceeds (regardless of your Core Account Investment Vehicle).

Credit balances in your income account may earn taxable interest, the rate of which is determined by NFS or us and may change at any time without notice to you. Any income account interest will be based on the daily averaging of income account credit balances during the interest period and, as long as it amounts to at least one cent, is paid on the first business day following the 20th day of each month and reflected on your month-end statement. Note that free credit balances in your Core Account and income account will not be combined to determine your interest earnings in either account.

**1-20. Trade Confirmations, Account Statements & Tax Reporting** – You will be mailed a written confirmation of your transaction within one (1) business day after your order is executed. This confirmation contains information concerning your transaction, such as the quantity and name of the security, net costs or proceeds, commission, plus any taxes and fees, and whether the trade is a principal or agency transaction. The only exceptions are automatic investments, automatic withdrawals, dividend reinvestments, and transfers to other accounts, and transactions that involve only your Core Account; for these activities, your regular account statement serves in place of a confirmation. Mark-ups and mark-downs on fixed income securities in principal transactions will be reflected when applicable pursuant to FINRA and MSRB rules to non-institutional customers. A non-institutional customer is a customer with an account that is not an institutional account. Institutional Account pursuant to FINRA Rule 4512(c) shall mean the account of:

- A bank, savings, and loan association, insurance company or registered investment company;
- An investment adviser registered either with the SEC under Section 203 of the Investment Advisers Act or with a state securities commission (or any agency of office performing like functions); or
- Any other person (whether a natural person, corporation, partnership, trust or otherwise) with total assets of at least \$50 million.

It is important that you read all confirmations completely and to familiarize yourself with the symbols on your confirmation. Should you have any questions concerning any of the details of your trade, do not hesitate to contact RBCS. The confirmation contains the complete terms of the trade, and the terms are considered conclusive and final unless written objection to them is made within 10 days after receipt of the confirmation.

The confirmation terms cannot be changed orally.

Should the confirmation be delayed for any reason, you are still obligated to meet your commitment to pay or deliver the security by the settlement date of the transaction. Confirmations should not be considered as invoices. While every effort is made to transmit reports of transactions accurately, errors do occasionally occur, especially during periods of heavy volume. If you find an error on your confirmation, you should notify RBCS immediately so that corrective action can be taken. RBCS and NFS cannot be held responsible for the price as reported to you if your order was executed at another price. Furthermore, RBCS and NFS cannot be held responsible for reports of transactions that have not, in fact, occurred. As soon as the error is discovered, RBCS will report the correct information to you as expeditiously as possible.

Your sale confirmation should be retained for tax purposes, along with the corresponding purchase confirmation, as evidence of the gain or loss on that particular transaction. Also, your confirmations should be retained for all bearer securities in the event that they are needed as proof of ownership at some later date.

In addition to your confirmations, NFS will periodically furnish a statement showing the securities and cash held for your Account and any activity that has taken place since the preceding statement. Your account statements will show all activity in your Account for the stated period, including securities transactions, cash and margin balances, credits and debits to your Core Account, and all fees paid directly from your Account. If you have a Margin Account in which there is a debit balance, the interest charged to that Account also appears on your statement. Included with your confirmations and statements are additional items and conditions which affect your relationship with NFS as a customer of RBCS.

NFS is required by law to report sales proceeds, dividends and interest credited to you to the Internal Revenue Service (IRS). Therefore, you should retain these statements for tax purposes. You will receive a 1099 from NFS confirming the income and sales proceeds reported to the IRS.

If you purchased a money market fund or mutual fund that invests in U.S. Government obligations, please check with your state or local tax office or your tax advisor to determine whether your state allows you to exclude some or all of the income you earn from these investments. For more information regarding state taxation issues or any other taxation issues applicable to money market funds or mutual funds, please review the prospectus and applicable fund company’s website.

**1-21. Commissions & Fees** – RBCS may charge commissions, sales charges, mark-ups, mark-downs or other fees (“fees”) for execution of transactions to purchase and/or sell securities and you agree to pay such or fees. The fee rates vary, depending on the investment and the size of the transaction. You understand that you will pay these fees whether you make or lose money on your investments, and you acknowledge that such fee rates may be changed from time to time, without notice to you, and you agree to be bound thereby.

Below is information about the specific fees you will pay if you choose to purchase or trade certain types of securities.

- a. **Equities** – You pay a commission every time you buy or sell an equity, such as a stock of a publicly traded company.
- b. **Bonds** – You pay a mark-up or mark-down based on the prevailing market price of the security, or a commission, every time you buy or sell a bond, such as a corporate, government or municipal bond.
- c. **Options** – You pay a commission every time you buy or sell an option contract.
- d. **New issue offerings** – You pay the initial offering price disclosed in the prospectus. The offering price includes selling concessions paid to the underwriters and distributors.
- e. **Mutual Funds** – You pay an upfront sales charge or load when you buy shares in most mutual funds as well as fees that are charged on an ongoing basis for as long as you hold the investment (“trails”). Certain mutual funds also deduct other ongoing fees and expenses, such as 12b-1 fees, management fees, or servicing fees, from fund assets which are included in the funds expense ratio. When you purchase a proprietary City National Rochdale Fund, there is no upfront sales charge, but there are ongoing fees and expenses as described above. Please see the applicable fund’s prospectus for a list of applicable internal fund fees and charges.
- f. **Closed-end funds and interval funds** – You pay a sales charge when you buy shares in a close-end fund or interval fund’s initial offering, or a commission if you buy and sell shares in a closed- end fund in a secondary trading market. Closed-end funds and interval funds also deduct other ongoing fees and expenses, such as management fees, from fund assets.
- g. **Exchange Traded Products (“ETPs”)** – You pay a commission every time you buy or sell shares of an ETP. ETPs also deduct other fees and expenses, such as management fees, from ETP assets which are included in the funds expense ratio.
- h. **Brokered Certificates of Deposit** – You pay a mark-up or mark-down based on the prevailing market price of the certificate of deposit, or a commission.
- i. **UITs** – You pay a sales charge when you buy shares in a UIT’s initial offering or a commission when you buy or sell shares in a UIT in a secondary trading market. UITs also deduct other fees and expenses from fund assets, such as operating costs. Please see prospectus for applicable UIT for a list of fees, sales charges, and expenses.
- j. **Structured Products** – Structured product fees and costs are usually embedded in the price of the investment, so that immediately after issuance, the investment is worth less than the issue price on the investment (by the amount of the fees and costs). Investors can use the difference between the issue price and the estimated value to determine the approximate total fees and costs associated with the investment.
- k. **Private placement funds, including hedge funds, fund of funds and private equity funds** – You pay a placement fee in addition to an ongoing trail.

Additional account service and miscellaneous fees may apply. Review the RBC Securities Commission & Transaction Fee Schedule for a list and description of applicable fees.

**1-22. Conflicts** – If you are a retail customer, RBCS must act in your best interest and not put our interest ahead of your interest. How RBCS makes money, however, creates conflicts with your interests. For example, your investment representative makes no money by recommending that you keep your account at an outside broker or in an ERISA qualified plan held outside RBCS but may be compensated on future trading in any accounts they recommend that you transfer or rollover to RBCS. You should understand these conflicts because they can affect the recommendations that your investment representative provides to you. Below are additional examples of ways we make money and the related conflicts of interest:

- a. **Proprietary Products** – We earn higher fees and receive other benefits when you invest in a product that we (or one of our affiliates) advise, manage, issue, sponsor or underwrite, such as a mutual fund, money market fund, bank deposit sweep program or other product. As such, we have an incentive to recommend these products over third party products.
- b. **RBC Capital Markets (“RBCCM”)** – RBCCM is an affiliate and trading partner of RBCS. RBCS may recommend securities affiliated with or issued or sponsored, underwritten, or placed (sold) as part of a new issue investment offering by RBCCM. RBCCM earns a spread on transactions with RBCS, including transactions in government, municipal and corporate bonds, preferred stocks, and structured products. RBCS may also receive a share of revenue generated by your transactions in structured products. As a result, RBCS has a conflict of interest with respect to these recommendations.
- c. **Outside Business Activities** – Officers and directors of RBCS may serve on the board of directors or board of trustees for a company that is affiliated with or has issued or sponsored securities that client portfolios hold. This creates a conflict of interest for us because it may incentivize these individuals to favor the company over RBCS’ clients.
- d. **Third Party Payments** – We receive payments from third party product managers and sponsors (or their affiliates) when we recommend or sell certain products. As such, we have an incentive to recommend these products over products of third parties that do not pay us or pay us less.
- e. **Revenue Sharing** – Certain fund managers and sponsors (or their affiliates) share the revenue they earn when you invest in certain of their investment products (primarily mutual funds) with us. As such, we have an incentive to recommend products of fund managers and sponsors that share their revenue with us, over other products of fund managers or sponsors that do not share their revenue or who share less.

- f. **Principal Trading** – RBCS may buy from or sell securities to you from RBCS' inventory. Because RBCS earns compensation (such as commission equivalents, markups, mark-downs and spreads) and can receive other benefits in principal transactions, RBCS has an incentive to trade with you on a principal basis and to recommend securities that we hold in inventory.
- g. **Certificates of Deposit ("CDs")** – RBCS has more than one channel to purchase CDs, some of which may earn higher fees for the firm.

A conflict could also arise when a producing manager with supervision responsibilities spends more time on production activities instead of fulfilling their supervision responsibilities, or when supervisors are embedded with investment representatives and could be influenced or pressured to approve transactions. RBCS mitigates this potential conflict by limiting the amount of supervision performed by producing managers, and by having transactional activities monitored by non-producing managers. RBCS also has a strong compliance testing program in place to ensure that supervisory activities are performed correctly.

**1-23. Registered Representative Compensation** – RBCS registered representatives are compensated by RBCS based upon the representative's total production level, which takes into account all of the commissions and similar compensation paid to RBCS by the clients for which the representative is responsible. Accordingly, as the amount of commissions and fees paid by you increase, the compensation paid by RBCS to the representative also increases. Specifically, registered representatives are compensated by RBCS via sales credits on a per transaction/account basis being paid to the firm. The firm then pays a percentage of that commission on a quarterly basis to the representative. In the case of a fixed income transaction, the sales credit is the difference between the amount that the firm buys from an outside broker or client and sells to you, or sells to an outside broker or client and buys from you ("the spread"). The spread acts as the sales credit which is then paid to the representative through the above described process.

RBCS and its registered representatives may also receive compensation from mutual funds, including City National Rochdale Funds, for shares they sell to investors. Carefully read a mutual fund's prospectus to understand the fees and expenses that will impact the return on your investment in these funds.

- a. **Mutual Fund Loads** – A fund load is a sales charge or commission that is either paid up front at the time of purchase ("front-end load"), when shares are sold (back-end load), or as long as the fund is held by the investor ("level-load"). Loads are not part of a mutual fund's operating expenses and are typically paid out to the registered representative and RBCS as a commission.
- b. **12b-1 Fees** – A 12b-1 fee is an annual marketing or distribution fee on a mutual fund. The fee is considered an operational expense and therefore included in the fund's expense ratio. The fees are sales credits to the registered representative.
- c. **Shareholder Servicing Fees** – Shareholder Servicing Fees are fees paid to RBCS to respond to inquiries and provide investors with information about their mutual fund investments. The fees are sales credit to the registered representative.

RBCS registered representatives may also be eligible for incentive compensation and annual bonuses based upon the amount of the representative's production level and achievement of pre-established goals. This creates an incentive for RBCS registered representatives to encourage you to trade in your brokerage account and to charge more in commissions and fees, and a disincentive to reduce commissions and fees below a level that will negatively impact their production.

**1-24. Order Routing** – In some cases, NFS will receive remuneration for equity order flow. The NFS order delivery system routes the orders to the exchange or dealer where the best execution can occur, as determined by the national best bids and offers. RBCS does not receive remuneration for order flow. Brokerage orders (including those generated by reinvested dividends) are routed through NFS, which in turn sends orders to various exchanges or market centers for execution. In deciding where to send an order, NFS looks at a number of factors, such as size of order, trading characteristics of the security, favorable execution prices (including the opportunity for price improvement), access to reliable market data, availability of efficient automated transaction processing, and execution cost. Some market centers may execute orders at prices superior to the publicly quoted market.

**1-25. Restricted and Control Securities** – You understand that various federal and state laws or regulations may be applicable to transactions in your account regarding the re-sale, transfer, delivery or negotiation of securities, including the Securities Act of 1933 (the "Securities Act") and Rules 144, 144A, 145 and 701 thereunder. You agree that it is your responsibility to notify RBCS of the status of such securities and to ensure that any transaction you effect with RBCS will be in conformity with such laws and regulations. You will notify RBCS if you become an "affiliate" or "control person" within the meaning of the Securities Act with respect to any security held in your account. You will comply with such policies, procedures and documentation requirements with respect to "restricted" and "control" securities (as such terms are contemplated under the Securities Act) as RBCS or NFS may require. In order to induce RBCS to accept orders with respect to the securities in your account, you represent and agree that, unless you notify RBCS otherwise, such securities or transactions therein are not subject to the laws and regulations regarding "restricted" and "control" securities. You will not buy or sell any securities of a corporation of which you are an affiliate or sell any restricted securities except in compliance with applicable laws and regulations and upon notice to RBCS that the securities are restricted. You understand that if you engage in transactions that are subject to any special conditions under applicable law, there may be a delay in the processing of the transaction pending fulfillment of such conditions. You agree that you are solely responsible for any regulatory reporting and filing requirements under the Securities Act. You agree to hold harmless RBCS from any losses incurred by such delays in processing of the transaction. You acknowledge that if you are an employee or "affiliate" of the issuer of a security, any transaction in such security may be governed by the issuer's insider trading policy, and you agree to comply with such policy.

**1-26. Insurance** – RBCS and NFS are members of the Securities Investor Protection Corporation ("SIPC"), a federal corporation which is authorized to borrow monies from the U.S. Treasury.

Securities in accounts carried by NFS, a Fidelity Investments® company, are protected in accordance with the SIPC up to \$500,000. The \$500,000 total amount of SIPC protection is inclusive of up to \$250,000 protection for claims for cash, subject to

periodic adjustments for inflation in accordance with terms of the SIPC statute and approval by SIPC's Board of Directors. NFS also has arranged for coverage above these limits. Neither coverage protects against a decline in the market value of securities, nor does either coverage extend to certain securities that are considered ineligible for coverage.

For more details on SIPC, or to request a SIPC brochure, visit [www.sipc.org](http://www.sipc.org) or call (202) 371-8300.

**1-27. Information Disclosure** – You acknowledge and agree that, in order to perform its services under this Agreement, RBCS must have access to your account information maintained by CNB. In addition, RBCS and NFS may disclose information about you, your Account or your Account transactions to others and receive information from others, including credit bureaus or other agencies, (a) if the purpose is to establish or maintain your Account or to complete transactions; (b) to comply with court orders or government agency or exchange regulations or inquiries; or, (c) as permitted by the City National Bank Privacy Policy. We may disclose non-public information about you in connection with the transfer of your Account to another financial institution at your request.

**1-28. Your Financial Obligation** – You agree that all debts and obligations owed in your Account will remain your sole obligation and all of your securities and other property in any account in which you have an interest shall be subject to a lien for the discharge of any and all indebtedness or any other obligation you owe to RBCS. All of your securities and other property shall be held by RBCS as security for the payment of any such obligations or indebtedness to RBCS in any account(s) that you may have an interest, and RBCS, subject to applicable law, including without limitation, the Employee Retirement Income Security Act of 1974 or the Internal Revenue Code of 1986, both as amended, may, at any time and without prior notice to you, use and/or transfer any or all securities and other property interchangeably in any account(s) in which you have an interest. In your cash accounts, you will pay all of RBCS' and NFS' costs, including but not limited to, attorneys' fees (which may be the cost of in-house counsel), arbitration fees, and court costs, incurred in connection with (a) your failure to pay when due the monies owed on your Account, (b) the failure to deliver securities due in your Account, (c) the collection of any deficiency in your Account, or (d) RBCS' and NFS' defense of any claims by you or on your behalf in which RBCS or NFS prevail. You will pay interest on all sums owed under this section, including any deficiency in your Account, at a maximum rate of four (4) percent above the National Financial Broker Lending Rate. These rates may be changed from time to time at the discretion of NFS. A margin account lets you borrow money from NFS, using as collateral eligible securities that are in your Account. A margin account is designed primarily to finance additional purchases of securities. Consult RBCS for information on how to establish margin and the benefits and risks it offers.

**1-29. Transfers** – RBCS and NFS have the right to transfer securities and other property from or to any of your Accounts whenever they, in their sole and absolute discretion, consider such transfer necessary for their protection.

**1-30. Funds Transfers** – You may request transfers online, over the phone or via fax, between your RBCS brokerage account and your linked CNB deposit Account. Funds transfers made online are subject to the provisions of Section 2-11 below. Instructions to transfer funds between your CNB and RBCS accounts may be given by any one authorized signer or any authorized person as listed on the master account agreement, Account Application or authorized sub-deegee list without regard to ownership of the account to which the funds are transferred and without regard to the number of signers required to withdraw funds from the account.

**1-31. Called Securities Lottery** – If RBCS holds on your behalf bonds or preferred stock in street name or bearer form, which are callable in part, you agree to participate in the impartial lottery system of the called securities in accordance with the rules of the New York Stock Exchange or applicable depositories.

**1-32. Joint Accounts** – In consideration of RBCS and NFS carrying a joint account for you, the joint Account holders listed on the Account Application, jointly and severally, agree that each of them shall have authority on behalf of the joint Account to buy, sell (including short sales) and otherwise deal in, through RBCS, stocks, bonds and other securities, on margin or otherwise; to receive on behalf of the joint Account demands, notices, confirmations, reports, statements of Account and communications of every kind; to receive on behalf of the joint Account agreements relating to any of the foregoing matters and to terminate or modify the same or waive any of the provisions thereof, and generally to deal with RBCS and NFS on behalf of the joint Account as fully and completely as if he or she alone were authorized in said Account, all without notice to the other or others authorized in the Account. RBCS and NFS are authorized to follow the instructions of any of the joint Account holders in every respect concerning the said joint Account and to make deliveries to any of the undersigned, or upon his or her instructions, of any and all securities in the said joint Account, and to make payments of monies to any of the joint Account holders as aforesaid. RBCS and NFS shall be under no duty or obligation to inquire into the purpose or propriety of any such demand for delivery of securities and/or overpayment of monies, and shall not be bound to see to the application or disposition of the said securities and/or monies so delivered or paid to any of the undersigned or upon his or her order. The authority hereby conferred shall remain in force until written notice of revocation is delivered to RBCS.

The liability of the joint Account holders, with respect to the Account, shall be joint and several. The undersigned further agrees jointly and severally that all property RBCS and NFS at any time may be holding or carrying for any one or more of the undersigned, shall be subject to a lien in their joint favor for the discharge of the obligations of the joint Account to RBCS and NFS; such lien to be in addition to, and not in substitution of, the rights and remedies RBCS and NFS otherwise would have. RBCS reserves the right to require written instructions from all Account holders at its discretion.

It is further agreed that, in the event of the death of either or any of the joint Account holders, the survivor or survivors shall immediately give written notice thereof, and RBCS or NFS may, before or after receiving such notice, take such proceeding, require such papers and inheritance or estate tax waivers, retain such portion of and/or restrict said joint Account under any present or future laws or otherwise. The estate of any of the undersigned who shall have died shall be liable and each survivor shall continue to be liable jointly and severally, to RBCS and NFS for any net debit balance or loss in the Account in any way resulting from the completion of transactions initiated prior to the receipt by RBCS and NFS of the written notice of the death of the decedent or incurred in the liquidation of the Account or the adjustment of the interests of the respective parties.

There are two (2) types of joint accounts. You may elect one (1) of the following on your new Account Application:

- a. **JOINT TENANTS WITH RIGHTS OF SURVIVORSHIP** – It is the express intention of the undersigned to create an estate or account as joint tenant with rights of survivorship and not as tenants in common. In the event of the death of either of the undersigned, the entire interest in the joint Account shall be vested in the survivor or survivors on the same terms and conditions as therefore held, without in any manner releasing the decedent's estate from the liability provided for in previous paragraphs.
- b. **TENANTS IN COMMON** – In the event of the death of either or any of the undersigned, the interests in the Account as of the close of business on the date of the death of the decedent (or on the next following business day, if the date of death is not a business day), shall be as indicated on the Account Application, but any taxes, cost, expenses or other charges becoming a lien against or being payable out of the Account as the result of the death of the decedent, or through the exercise by his or her estate or representative of any rights in the Account shall, so far as possible, be deducted from the interest of the estate of such decedent. This provision shall not release the decedent's estate from the liability provided for above. Laws covering joint or community property vary by state. You are responsible for verifying that the joint registration you choose is valid in your state. You may want to consult your lawyer about this. Generally, for joint tenants with rights of survivorship and tenants by the entirety, on the death of an account owner the entire interest in the account goes to the surviving account owner(s), on the same terms and conditions. For tenants in common, a deceased account owner's interest [which equals that of the other account owner(s) unless specified otherwise] goes to that account owner's legal representative. Tenants in common are responsible for maintaining records of the percentages of ownership.

If you do not designate one of the above, the default will be Joint Tenants with Rights of Survivorship.

**1-33. Transfer on Death Registration** – With transfer on death ("TOD") registration, you designate a beneficiary or beneficiaries who will receive all monies, securities, or other assets held in your account at the time of your death (or upon the death of the last surviving account holder, if this is a joint account).

You can change your beneficiary designation at any time by filling out a new Beneficiary Designation form. We will rely on the latest Beneficiary Designation in our possession. You cannot change your beneficiary by will, codicil, or trust or other testamentary document. If RBCS considers it necessary, RBCS may request additional documents from any beneficiaries before we transfer assets to them from your account. Note that although NFS may hold in a nominee name securities that are in a TOD account, NFS has no responsibility to determine the registration or ownership of the account as a whole, either before or after your death.

Note that Per Stirpes designation rules may vary from state to state. It is your responsibility to consult with an estate planning attorney to determine whether this designation is available and/or appropriate. By checking the Per Stirpes box associated with a given beneficiary, you are agreeing that if that beneficiary predeceases you, his or her share of the account will pass through to his or her descendants as determined by state law.

If more than one person is named and no share percentages are indicated, payment will be made, in equal shares, to your primary beneficiary or beneficiaries who survive you. If a percentage is indicated for a primary beneficiary who does not survive you, and if you have not checked the Per Stirpes box, the percentage of that beneficiary's designated share will be divided equally among the surviving primary beneficiaries. If there is no primary beneficiary living at the time of your death, you hereby specify that the balance is to be distributed to the contingent beneficiary or beneficiaries listed.

Neither RBCS nor NFS will advise you on whether TOD registration is appropriate for your tax or estate planning purposes. Registering a securities account in TOD form is legal only in certain states, so it is important to consult your own legal or tax advisor before establishing or revoking a TOD registration.

In consideration for establishing this registration and accepting the Beneficiary Designation, you [including your estate(s), heirs, spouse, successors on interest, and all beneficiaries named herein] shall indemnify and hold harmless RBCS and NFS (and their affiliates, directors, officers, control persons, agents and employees thereof) from and against all claims, actions, costs and liabilities, including attorney fees, by any person or entity arising out of or relating to this account registration and transferee hereunder.

**1-34. Custodial Registration** – Accounts opened under the Uniform Gifts/Transfers to Minors Acts ("UGMA/UTMA") provide a means by which an adult donor can make an irrevocable gift to a minor. By opening this type of account, you agree that all assets are held for the exclusive benefit of the minor - even after the assets have been removed from the account. The custodian retains authority and control over the assets in the account until the minor reaches the age of majority, as determined by State law, or a later age specified at the time the account was opened, as permitted by State law. RBCS will restrict the account after the minor reaches the age of majority, or after the minor reaches the later age specified when the account was opened.

**1-35. Coogan Accounts** – Coogan accounts, also known as blocked trust accounts, are established by a guardian of a child performer or athlete working under an entertainment contract. Coogan accounts ensure that 15 percent of a minor's gross earnings are set aside for the minor until they reach the age of majority or are legally emancipated. The accounts are required for child performers and athletes who render their services in California, Louisiana, New Mexico, New York, and Illinois. The types of investments permitted in Coogan accounts are determined by State law, and are generally limited to Government bonds and securities, certain cash instruments and broad-based equity mutual funds. Without a court order, withdrawals are generally not allowed until the minor reaches majority. As Guardian or Trustee on a Coogan account, you agree to manage the account in accordance with all applicable state laws and regulations.

**1-36. Rules & Regulations** – All transactions for your Accounts will be subject to the transaction and settlement rules, regulations and customs of the market or exchange (selected by NFS in its discretion) where an order is entered, the clearing house, if any, the Securities and Exchange Commission, the Federal Reserve Board, the Financial Industry Regulatory Authority ("FINRA") and/or any other regulatory agency, as and where applicable.

FINRA requires that we provide the following information concerning FINRA's Broker Check Program. FINRA Regulation Broker Check Program Hotline Number is (800) 289-9999. FINRA's Regulation website address is <https://brokercheck.finra.org>. An Investor Brochure that includes the information describing the Broker Check Program may be obtained from FINRA. Complaints regarding the handling of your account should be directed to City National Bank, 555 South Flower Street, 11<sup>th</sup> Floor, Los Angeles, California 90071.

**1-37. Limit of Liability/Force Majeure/Indemnity** – You acknowledge and agree that neither RBCS nor NFS will be liable on your Account for any loss, including but not limited to those caused directly or indirectly by government restrictions; exchange or market rulings; suspensions of trading; war; strike; interruption of transportation, communication or data processing services; earthquake, fire or act of God; or any other condition beyond their reasonable control. Further, in acting hereunder, you acknowledge and agree that neither RBCS nor NFS will be liable for any act or omission with respect to your Account, except for their gross negligence or willful misconduct, and in no event will RBCS or NFS be liable for special or consequential damages. You agree to indemnify and hold harmless NFS and RBCS, their affiliates, successors and assigns, and their officers, directors and employees, from any and all liability from losses, claims, damages or expenses (including reasonable legal fees and expenses) arising from your Account, except to the extent such liability arises from their gross negligence or willful misconduct. If any service failure is determined to be our responsibility, we will be liable only for whatever benefit you would have realized up to the time by which you should have notified us, as specified earlier in "Opening, Monitoring and Terminating Your Account." Beyond taking reasonable steps to verify the authenticity of instructions, we have no obligation to inquire into the purpose, wisdom, or propriety of any instruction we receive.

**1-38. Length of Agreement** – Your Agreements and their terms will be binding on your heirs, executors, successors, administrators, assigns, committee and conservator ("successors"). In the event of your death, incompetence or disability, whether or not any successors of your estate and property have qualified or been appointed, until RBCS and NFS have written notice of your death or incompetence, RBCS and NFS may continue to operate as though you were alive and competent and may liquidate your Account WITHOUT PRIOR NOTICE TO OR DEMAND upon your successors. Your Agreements will inure to the benefit of RBCS' and NFS' successors and assigns, whether by merger, consolidation or otherwise, and RBCS or NFS may transfer your Account to any such successors and assigns WITHOUT NOTICE.

**1-39. Agreement Compliance/Waivers** – RBCS' or NFS' failure to insist at any time upon strict compliance with any terms of any of your Agreements, or any continued course of such conduct on their part will not constitute their waiver of any of their rights thereunder. Except as otherwise provided herein, no provision of any of your Agreements will in any respect be waived, modified or amended unless such waiver, modification or amendment is in writing, signed by a duly authorized officer of either RBCS or NFS.

**1-40. Governing Laws** – This Agreement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to the conflict of law provisions thereof, and to the extent not superseded by federal laws.

**1-41. Continuing Agreement** – If any provision of any of your Agreements is held invalid or unenforceable by any court, regulatory or self-regulatory agency or body, or arbitration tribunal, such invalidity or unenforceability will attach only to that provision. The validity of the remaining provisions will not be affected thereby, and your Agreements will be carried out as if such invalid or unenforceable provision were not contained therein.

**1-42. Escheat** – In compliance with applicable state laws, your property may be transferred to the appropriate state if no activity occurs in your account within the timeframe specified by state law.

**1-43. Shareholder Information** – Under Rule 14b-1c of the Securities Exchange Act, RBCS and NFS are required to disclose a shareholder's name, address and security positions to requesting companies. If you do not want your information disclosed, please contact RBCS.

**1-44. Dividend Reinvestment** – In addition to reinvestment of mutual fund dividends, reinvestment of dividends from eligible equities and closed-end funds is an option for most accounts, including retirement accounts and those with margin. You can choose to have the reinvestment plan service apply to all eligible securities in your account, or only to certain ones, although during the time when a security is enrolled for reinvestment, all of that security's eligible distributions must be reinvested through this service.

With certain securities (such as mutual funds), the reinvestment options available in this account may be different than those you would have if you were to invest directly with the issuer.

Reinvesting dividends does not assure profits on your investments and does not protect against loss in declining markets.

In lieu of separate immediate trade confirmation statements, all transactions made through the reinvestment plan service will be confirmed on your regular monthly brokerage account statement. RBCS reserves the right to terminate or amend the reinvestment plan service described in this section at any time without notice, including instituting commissions or transactions fees.

**1-45. Canadian Withholding** – Canada imposes a withholding tax on Canadian-source income paid to non-residents of Canada. If you are non-Canadian Resident holding Canadian issued securities, you may be subject to 25 percent withholding. Some security holders may be fully exempt from the withholding, while others may qualify for a reduced rate of 15 percent. Contact your Advisor for additional information and any forms relative to your account registration type. *Please consult with your tax advisor. RBC Securities does not provide tax, accounting or legal advice.*

**1-46. Account Administration** – FINRA Rule 4311 requires that RBCS identify the various account administration functions that RBCS and NFS each agree to perform. Below is a summary of this information; for a more complete description, contact RBCS.

As your broker/dealer, RBCS will:

- Open and approve your brokerage account

- Monitor your brokerage account only if separately agreed in writing
- Transmit accurate, timely instructions to NFS regarding your brokerage account
- If you are a retail customer, provide investment recommendations and advice that are in your best interest
- Operate your brokerage account in compliance with applicable laws and regulations
- If you have a margin account, advise you of margin requirements and ensure that your account remains in compliance with all applicable federal, industry, and NFS margin requirements
- Maintain proper books and records of all services we perform for you

At our direction, NFS will:

- Execute, clear, and settle transactions that we process through them
- Send you transaction confirmations and periodic brokerage account statements
- Act as custodian for all funds and securities they receive on your behalf
- Carry out our instructions regarding the transactions, and the receipt and delivery of securities, on your brokerage account
- Extend margin credit, if you have applied, and been approved, for margin borrowing
- Maintain proper books and records of all services they perform in connection with your account

Note that NFS may not have verified certain pricing information that we or third parties provide to you. For more information on the allocation of services, speak with one of our representatives.

**1-47. Acknowledgement of Plan Fiduciary** – If applicable, the Responsible Plan Fiduciary acknowledges that RBCS provided Fee Disclosure information, as defined by ERISA 408(b)(2), reasonably in advance of entering into this Agreement and has deemed the fees and services to be reasonable. The Responsible Plan Fiduciary also acknowledges that it has executed this Agreement on its own behalf and as a fiduciary of the Plan, and that this Agreement is binding on the Plan and on the Responsible Plan Fiduciary. Further, the Responsible Plan Fiduciary understands the manner in which fees are determined with respect to the Plan and the amount of the fees and consents to the payment of such fees.

## **ONLINE BROKERAGE SERVICES**

Certain of RBCS' brokerage services may be accessed through the Internet ("Online Services"). If you choose to access the Online Services, the following general provisions apply, in addition to the provisions specific to the services set out in 2- 10 and 2- 11 below.

**2-1. User Name/Password** – You will be responsible for the confidentiality and use of your user name, login password, and other forms of authentication, as applicable ("login credentials"). You shall not share your login credentials, and shall be solely responsible for all orders and transfers entered through the Online Services using your login credentials.

**2-2. Notifying RBCS** – You agree that, as a condition of using the Online Services to place orders, transfer funds and/or send information, you will immediately notify RBCS if:

- a. An order or transfer has been placed through the Online Services and you have not received an order number or confirmation number, or an accurate acknowledgment of the order or transfer or of its execution (whether through mail, electronically, or verbally);
- b. You have received acknowledgment (whether through mail, electronically or verbally) of an execution for an order or transfer which you did not place; and/or
- c. You become aware of any unauthorized use of your login credentials.

In the event RBCS is not notified immediately when any of the above circumstances occur, you agree and consent to hold harmless RBCS, NFS and their officers, employees, agents, affiliates and subsidiaries against any responsibility or liability to you or to any person whose claim may originate through you for any claim regarding any such order or transfer.

**2-3. Discrepancies** – You agree to promptly notify RBCS if there is a discrepancy with your Account balances or security positions.

**2-4. Reliance on Third Parties and Service Problems** – You agree that RBCS and its affiliates will not be liable for any losses resulting from a cause over which RBCS or NFS and their affiliates does not have direct control, including but not limited to, the failure of electronic or mechanical equipment or communication lines, telephone, or Internet-related problems (for example, if you are unable to access your online service provider), unauthorized access, theft, errors by the operator, serious weather, earthquakes, floods, and strikes or other labor problems. In the event any third party network is unavailable or in the event we determine, at our discretion, that we are unable to continue providing any third party network access, we may discontinue the Online Services or may provide the Online Services through an alternate third party network. In such situations, neither RBCS nor CNB shall have any liability for the unavailability of access.

An Internet Service Provider ("ISP") is required to provide access to the Online Services. You must obtain your own ISP and you are responsible for any related ISP fees. We do not endorse or provide an ISP.

**2-5. Warranty** – By use of the Online Services, you agree there is no merchantable warranty, no warranty of suitability for a particular purpose, and no other warranty of any kind, expressed or implied, regarding the information or any aspect of the Online Services, including, but not limited to, any information accessed through the Online Services.

**2-6. Non-endorsement** – RBCS and its affiliates make no warranties with respect to the accuracy, timeliness or suitability of the content of other services or sites to which the Online Services link. By providing access to other websites, neither RBCS nor its affiliates is endorsing or recommending the site; services or products offered or described thereon; the accuracy, completeness,

suitability or any other characteristic of the content of the site; the organization sponsoring the site; nor the purchase or sale of securities issued by such sponsor.

**2-7. Service Requirements** – You will furnish RBCS and CNB all documents, authorizations and agreements required by us in order to provide access to the Online Services (collectively, “Data”). You are responsible for the accuracy, completeness and authenticity of all Data.

**2-8. Communicating with RBCS and CNB** – If you attempt to communicate with either RBCS or CNB by electronic mail (“email”), your email may not be read immediately. You should not rely on email if you need to communicate with RBCS or CNB immediately. If the email you send is not secure, the data or other information contained in it may be read by unauthorized persons. Neither RBCS nor CNB is responsible for the acts of unauthorized persons.

**2-9. Limitation of Liability** – As a condition precedent to RBCS’ or CNB’s liability hereunder, you must immediately notify RBCS or CNB, respectively, in writing of any alleged failure to exercise care or breach of a duty to you arising under this Agreement but in no event later than 10 business days following the day on which such alleged failure or breach was or could reasonably have been discovered by you.

In no event will RBCS, its affiliates, information providers or content providers be liable to you or any third party for any direct, indirect, consequential, incidental, punitive or special damages (including, but not limited to, lost profits, trading losses and damages) arising out of or in any way connected with the use of the Online Services, or with the delay or inability to use the Online Services, or for any information, products or services obtained through the Online Services, whether based in contract, tort, strict liability, or otherwise, even if RBCS, its affiliates, information providers and/or content providers has been advised of the possibility of such damages. Some states do not allow certain limitations on implied warranties, or the exclusion or limitation of incidental, consequential or other damages, so that these disclaimers and limitations may not apply to you.

You will, at all times, defend, indemnify and hold RBCS and CNB harmless from and against any and all liabilities, claims, demands, causes of action, losses, damages, costs, expenses and attorneys’ fees, settlements, judgments or recoveries of third parties which may be asserted, brought or awarded against RBCS or CNB arising out of or relating to: (i) any act or omission by you or any third party pertaining directly or indirectly to the Online Services, or (ii) any act or omission by RBCS or CNB which is based upon Data or other information supplied by you, provided that RBCS or CNB exercised reasonable care, as stated herein, and acted in good faith.

**2-10. Online Brokerage** – The following provisions apply specifically to the brokerage online service (“Online Brokerage”):

- a. **Services** – Online Brokerage allows you to view your account information, positions and transaction history, to view and download account statements, trade confirmations and tax documents, and if enabled, to place trades in stocks, options and mutual funds. The website provides access to a broad range of market information and research, including investment screeners, comprehensive company profiles, and interactive world and economic overviews.

You acknowledge that RBCS will not provide you with any investment, legal or tax advice regarding suitability or profitability of a security or investment which you trade through Online Brokerage. RBCS, its affiliates, information providers and content providers shall have no liability for investment decisions or other actions taken or made by you based on the information provided through Online Brokerage. The stock prices, financial market information and other information available through Online Brokerage are provided on an “as is” basis without warranties of any kind, either express or implied, including (but not limited to) warranties of merchantability or fitness for a particular purpose, title or non-infringement.

- b. **Sufficient Funds and Securities** – Notwithstanding Section 1-17 above, sufficient funds must be in the Account in which the transaction is effected at the time an order is placed. In addition, securities to be sold must be in the Account prior to placing an order to sell.
- c. **Timeliness** – You agree that not all trades will be executed concurrently with the orders placed. RBCS will be allowed a reasonable period of time in which to execute your trade requests. Furthermore, you accept, without liability to RBCS, its affiliates or NFS, that there will be times when a quoted price will change prior to the trade’s execution due to market circumstances.
- d. **Market Information** – You understand that each participating securities exchange claims an exclusive interest in all of the market information it provides to the parties that distribute the information and asserts copyright protections for the information. Stock quote and financial market information provided through Online Brokerage has been independently obtained through sources believed to be reliable. Neither the participating securities exchanges nor any supplier of the market information, including RBCS, guarantees the timeliness, accuracy, or completeness of the market information or any other market data or messages dispersed by any party. Although RBCS reasonably believes the source to be reliable, RBCS, or any of its agents, shall not be liable in any way for:
  - i. An inaccuracy, error or delay in, or omission of any such information or message or the transmission or delivery of any such information or message;
  - ii. Any loss or damages occurring from or occasioned by any such inaccuracy, error or delay or omission, non-performance, or interruption of any information or message, due either to any negligent act or omission by any disseminating party, including RBCS, or to any force of nature (i.e. flood, extraordinary weather conditions, earthquake or other act of God, fire, war, insurrection, riot, labor dispute, accident, action of government, communications, power or equipment failure, or software failure or malfunction) or any cause beyond the reasonable control of any disseminating party, including RBCS.
- e. **Periods of Online Volatility** – During periods of high volume or volatility on the Internet, online trading customers may have difficulty accessing their accounts due to high Internet traffic or because of systems capacity limitations. The potential for market loss will exist during periods of volatility in the price and volume of a particular stock when systems problems result in

the inability to place orders. You must call in orders when the service is unavailable due to such conditions. You agree that RBCS and NFS are not responsible for any and all additional expenses, losses or charges as a result of volatile conditions.

**2-11. Client Initiated Funds Transfers** – The following apply specifically to the City National Rochdale Government Money Market and CNB Deposit Sweep transfers Online Service (“Client Initiated Funds Transfers” or “CIFT”):

- a. **Description of Service** – CIFT enables you to review your Account(s) and linked eligible CNB deposit account(s) (“CNB Account”) balances, and initiate, monitor, and track transfers between your Account(s) and your linked eligible CNB Account(s). The Accounts and the linked eligible CNB Account(s) may be referred to herein collectively as the “CIFT Accounts.”
- b. **Authorization** – Instructions to transfer funds between your CNB and RBCS accounts may be given by any one authorized signer or any authorized person or subdelegee without regard to ownership of the account to which the funds are transferred and without regard to the number of signers required to withdraw funds from the account.
- c. **Commencing of CIFT** – Prior to commencing CIFT, you will open and maintain eligible CNB Account(s) to which the Brokerage Account(s) will be linked.
- d. **Sufficient Funds** – Notwithstanding Section 1-17 above, you shall maintain in the CIFT Accounts good and collected funds sufficient to conduct each transfer. Neither RBCS nor CNB shall be obligated to conduct a transaction that will require the use of uncollected funds or that may result in a debit balance in an Account or an overdraft in an eligible CNB Account. If a debit balance occurs in any Account, you shall be responsible for any interest charges accrued as a result of the debit. If an overdraft is created in any eligible CNB Account, you shall repay the overdraft and shall pay any associated service fees at once, in accordance with the terms of the separate account agreements.
- e. **Deadlines** – CIFT is subject to deadlines or processing cut-off times as described in the User Documentation or otherwise communicated to you by us from time to time. Transfer requests received after a deadline or cut-off time are deemed received on the next business day.
- f. **Rules Governing CIFT** – CIFT is subject to its user guide, processing description, procedures, instructions, or other documentation (collectively, “User Documentation”) provided to you by RBCS or CNB from time to time. In addition, CIFT is subject to the Operating Rules of the National Automated Clearing House Association (“NACHA Rules”) and the rules of RBCS’ Clearing Agent, National Financial Services, Inc., as the same may be amended from time to time; and the laws of the state of California.
- g. **Statements and Reports** – Transactions initiated through CIFT will be reported on the reports and statements provided in connection with your Account(s) and eligible CNB Account(s). You shall promptly review the reports and statements and immediately notify RBCS or CNB of any errors as provided in the account agreements.
- h. **Security** – You understand that actions not part of the standard CIFT security procedures that RBCS or CNB may take to detect an erroneous or unauthorized transaction are determined at the sole discretion of RBCS or CNB. Such actions shall not be deemed a part of the standard CIFT security procedures and RBCS and CNB are not liable to you if they do not use such actions or any other actions in each circumstance.
- i. **Proprietary Rights** – You acknowledge that all computer programs, systems and software used in providing CIFT and all information relating to CIFT, including but not limited to, User Documentation, is the property of RBCS and CNB and has great commercial value to RBCS and CNB. You shall not disclose information about this property without our prior written consent, and you shall not acquire any proprietary interest or right in this property as a result of your use of CIFT. This provision shall survive the termination of your use of CIFT.
- j. **Limitation of Liability** – We are entitled to rely and act upon the CIFT transfer requests submitted by you and we shall have no obligation or responsibility to audit, check or otherwise verify the transfer request. You acknowledge that it is not possible for CIFT to be totally free from operator, programming or equipment error, and that errors in processing and reporting may occur. You agree to review and verify all results and to maintain controls to determine the accuracy of transfer requests and transmissions and for the detection of errors. RBCS may, at its sole discretion manually process transfer requests submitted, but not processed due to such errors.

## **ARBITRATION**

**3-1. Arbitration Disclosure** – This agreement contains a predispute arbitration clause. By signing a new Account Application, the parties agree to the arbitration agreement as follows:

- a. All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- b. Arbitration awards are generally final and binding; a party’s ability to have a court reverse or modify an arbitration award is very limited.
- c. The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- d. The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
- e. The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- f. The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- g. The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this

agreement.

**3-2. Predispute Arbitration Agreement** – You agree that FINRA, who administers the arbitration, and under whose rules the arbitration will be conducted, furnishes the designated place where arbitration is to take place. By opening and maintaining an account with RBCS, you agree that all disputes which may arise between you and RBCS, be determined by arbitration conducted by FINRA. The non-prevailing party shall be responsible for all expenses incurred by the prevailing party in any arbitration, including reasonable fees for attorneys' costs, in enforcing any provision of or collecting any amounts due RBCS under this Agreement, and further that the Agreement will be governed and interpreted by the laws of the State of California.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.

## TRANSACTIONS

**4-1. Agency & Principal Transactions** – Many stocks and bonds are not traded on a securities exchange but in what is known as the over-the-counter market ("O.T.C."). When you buy or sell a security in this market, RBCS may act as an agent or as a principal. The confirmation, which you receive, will designate the capacity in which RBCS acted. When RBCS acts as a principal, RBCS is selling securities to you which it either owns or expects to buy shortly, or is buying securities from you for its own account. When RBCS acts in an agency capacity for you in purchasing or selling securities in the O.T.C. market or other markets, including securities exchanges, RBCS is dealing on your behalf with another broker dealer, which could be NFS, or a customer of RBCS. In such a case, the commission will be reflected on your confirmation.

**4-2. Execution of Orders/Erroneous Reports** – RBCS can execute your orders to buy or sell securities or forward them to NFS for execution. Stock and options exchanges have rules governing erroneous reports of executions. The price at which an order is executed shall be binding notwithstanding that an erroneous report may have been rendered, or no report received from the exchange. Also, a report shall not be binding if an order was not actually executed but was reported in error to have been executed.

**4-3. Odd Lots** – An odd lot is a quantity of stock traded in less than a round lot (less than 100 shares). Odd lots of securities purchased or sold on the NYSE require the payment of a commission and may have an odd-lot differential applied. This means you may pay more per share when you buy an odd lot and may receive less when you sell.

**4-4. Market Order** – A market order is an order to buy or sell a stated amount of a security at the best current price obtainable. There is no guarantee, however, of a particular price.

**4-5. Limit Order** – A limit order is an order to buy or sell a stated amount of a security at a specified price or a better price, if obtainable. If your specified price is not close to the current market price, your order is normally placed with an exchange specialist or on the electronic bank of NASDAQ. Even if the security trades at your price after your order has been placed you should not assume that your order was executed. This is because other orders may have been placed at the same price at an earlier point in time and will receive priority over your order. Limit orders may be entered for a single trading day, or left in force until either executed or canceled by you.

By accepting your limit order for transactions in securities in the NASDAQ or O.T.C. market, NFS undertakes to monitor the inter-dealer market and seeks to execute your order only if the inside bid (in the case of a limit order to sell, the highest price at which a dealer is being quoted as willing to buy securities) or the inside ask (in the case of a limit order to buy, the lowest price at which a dealer is being quoted as willing to sell securities) reaches your limit price.

**4-6. Stop Order** – If you want to try to sell your stock after it reaches a certain price level below the current market price, you can place a stop order to sell. It becomes a market order when the price of the stock reaches or trades below the price you specified when you placed the order.

A stop order to buy becomes a market order when the stock trades at or above stop price after the order reaches the place on the floor or other market where the stock is traded. A stop order may be used in an effort to protect a gain or to try to limit a loss. The stop order must be used wisely, and you should appreciate its limitations as well as its advantages before employing it.

Since your stop order will be executed at the best price obtainable after it becomes a market order, the execution price may not be the stop price. Usually, the order will be executed at a price close to the last price reported. Remember that a lot can happen to the price of a fast moving or volatile stock within a few minutes, and your market order, whether to buy or sell, may have to compete with other orders. Consequently, the price you pay or receive may not always be what you expect.

When a relatively large number of stop orders have been entered for a particular security, the execution of these orders can cause a chain reaction of buying or selling which could result in a sharp rise or fall in the price of the stock. To reduce the number of such situations, the securities markets and securities exchanges at times prohibit stop orders in particular stocks when it appears that such orders might severely aggravate price fluctuations in those stocks. When this occurs, all pending stop orders in those stocks usually are automatically canceled. RBCS WILL ATTEMPT TO NOTIFY YOU IF A STOP ORDER IS DECLARED PROHIBITED and RBCS has already entered one on your behalf. A stop order can be entered for any specific number of days or may be good until canceled. There are no stop orders for certain O.T.C. transactions.

**4-7. Stop Limit Order** – A variation of the stop order is the stop limit order, which should also be handled with extreme care. This type of order stipulates the stop price, and, if it is a sell, specifies a price below which the order must not be executed; and, if it is a buy order, it stipulates a price above which it must not be executed. In other words, when the stock sells through the stop price, your order becomes a limit order, not a market order. The main danger in this type of order is its rigidity. In a fast-moving market it may be impossible to have your order executed at the limit price. The options exchanges impose restrictions on stop and stop limit orders under certain market conditions. There are no stop limit orders for certain O.T.C. or NASDAQ transactions.

**4-8. Day Order** – When you place an order without specifying how long the order is to remain in effect, it will be good only for the trading day on which it was entered. If you want it to remain in effect longer, it is necessary for you to so advise RBCS.

**4-9. Good ‘til Canceled (“GTC”) Order or (“Open Order”)** – A GTC order stays in effect until it is executed or canceled. If you decide to change your GTC order before its execution, you should cancel the existing order when you place a new one. Failure to cancel a previous order may result in execution of both orders for which you would be responsible.

**4-10. IPOs** – The prices for Initial Public Offerings (“IPOs”) are often volatile during the period of time when they have opened for secondary market trading, particularly the IPOs of Internet issuers. Some IPOs trading on an exchange or on The NASDAQ Stock Market, Inc. have traded at a much higher price than their IPO offering price. The prices of some of these “hot” IPOs may double or more in initial trading, only to fall sharply in subsequent trading. Price volatility may be accompanied by significant trading volume. Certain non-IPO stocks may also be subject to similar fast market conditions.

Extraordinary volumes of orders and cancellations entered online and otherwise may cause queues and backlogs for many order entry and market maker firms. As a result of the level of market volatility and volume of orders, a number of market makers discontinue their normal automatic execution of orders and begin handling orders manually. Firms may reduce their size guarantees on individual stocks or groups of stocks. This may lead to delays in order executions, executions at prices significantly away from the market quoted at the time the order was entered, and delays in execution confirmations and cancellation reports.

Trading in such issues carries additional risks not associated with most trading parameters.

**4-11. Trading Volume Delays** – Trading methods and interest in specific stocks may affect price volatility and cause increased trading volume. This price volatility and increased volume present hazards to investors, regardless of whether trading occurs online or otherwise. While RBCS procedures for handling customer orders are fair, consistent, and reasonable, during volatile market conditions, high volumes of trading at the market opening or intra-day may cause delays in execution and executions at prices significantly away from the market price quoted or displayed at the time the order was entered. During such times, market makers may execute orders manually or reduce their size guarantees, resulting in possible delays in order execution and losses. This is particularly important with respect to online investors (who have come to expect quick executions at prices at or near the quotes displayed on their computer screens).

**4-12. Extended Trading Hours** – Due to the nature of the extended hours trading market, trading extended hours may pose certain risks which are greater than those present during normal market hours. Please review the below information.

- **Risk of Lower Liquidity** – Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.
- **Risk of Higher Volatility** – Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price in extended hours trading than you would during regular market hours.
- **Risk of Unlinked Markets** – Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.
- **Risk of Changing Prices** – The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening of the next morning. As a result, you may receive an inferior price in extended hours trading than you would during regular market hours.
- **Risk of News Announcements** – Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
- **Risk of Wider Spreads** – The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

## **TERMINATION OF AGREEMENT**

RBCS or CNB may terminate this Agreement at any time, with or without cause, upon reasonable notice to you. RBCS or CNB may terminate this Agreement at once if:

- a. RBCS or CNB determine that you are in material breach of any term or condition stated herein;
- b. the confidentiality of your login credentials or other security measure is compromised;
- c. RBCS or CNB has reason to believe that an unauthorized transaction has taken or may take place involving your
- d. Brokerage and/or linked CNB Account(s);
- e. RBCS or CNB are uncertain as to any person’s authority to access and/or give instructions regarding transactions effected through the services; or,
- f. your Brokerage and/or linked CNB Account(s) become(s) inactive as determined by RBCS or CNB.

## BUSINESS RESUMPTION PLAN NOTIFICATION

RBCS participates with and relies on a pre-established, corporate-wide "Business Continuity Program" ("BCP") of CNB for contingency planning and disaster recovery from various scenarios.

The purpose of this section is to disclose to customers how RBCS will respond to the possibility of future significant business disruptions of various durations and descriptions.

The primary objective of CNB's BCP is to ensure the continuity of operations in the event of an unplanned business interruption. The BCP is structured to address a variety of potential outages, related risks, and mitigating actions and controls.

CNB has an Incident Response process that provides for escalation and management of the event, including internal and external crisis communications. During an emergency CNB activates one or more of its Emergency Operations Centers ("EOC"); the incident response team relocates to the specified EOC until the emergency is over.

CNB has two (2) geographically separate data centers supported by uninterrupted power supplies ("UPS") and back-up diesel generators, which are tested regularly. Critical applications are replicated at the CNB's recovery center. In addition, there are designated alternate work area locations to relocate critical operations personnel during an emergency.

Business continuity plans are regularly exercised to demonstrate CNB's ability to continue normal operations with our clients, business partners, and internal staff in the event of a business disruption. These exercises, which include recovery of the infrastructure and critical applications, are conducted regularly and no less than once every 12 months. All plans are maintained on an on-going basis.

As a regulated organization, all components of the Business Continuity Program, as well as the planning and outcome of continuity exercises, are reviewed and validated at least annually by CNB's Board of Directors, the Audit Committee of the Board, and the OCC ("Office of the Comptroller of the Currency"). RBCS ensures that its portion of CNB's BCP complies with applicable federal securities laws and FINRA Rules, and makes the BCP available to FINRA upon request.

RBCS will communicate with its regulatory authorities regarding the nature and extent of any significant business disruption as required by applicable law and regulation.

As a participant in CNB's BCP, RBCS has also diversified its operations and supporting technology services through geographically dispersed locations.

The BCP is designed and repeatedly tested to recover from scenarios of varying severity of business disruption, including facilities failures or disruptions to a single building, business district, city or region, tele-communications failures, earthquakes, civil disturbances and other disruptions. For all of these scenarios, to the extent feasible, RBCS intends to continue its business operations and provide continued services to customers during any business disruption regardless of the size and length of a business disruption. Anticipated recovery times will vary between a few minutes up to 48 hours.

Small or short-term disruptions will allow RBCS to continue to operate from its current location at City National Bank, 555 South Flower Street, 11<sup>th</sup> Floor, Los Angeles, California 90071

Larger disruptions may require a physical relocation, but our mailing address, phone numbers, email addresses and website will remain the same, so this should not cause you difficulties in contacting someone to assist you with your needs.

Should a major event take place, additional information will be provided on CNB's website. This statement is available in writing upon request and is subject to change. Changes will be immediately posted to CNB's website as well as incorporated into the written statement.

**(800) 280-1464**

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[cnb.com](http://cnb.com)

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