RBC Mutual Funds and PH&N Mutual Funds Class Action Regarding Trailing Commissions Paid to Discount Brokers

Notice of Proposed Settlement

Read this notice carefully as it may affect your legal rights

THIS NOTICE IS TO:

> All persons, wherever they may reside or be domiciled, who held or hold, from December 28, 2003 to July 25, 2024, units of an RBC Mutual Fund or a PH&N Mutual Fund through a Discount Broker, except for the Excluded Persons ("**Class**" and "**Class Members**").

In the above class definition:

> "**RBC Mutual Funds**" means all mutual fund trusts (including, without limitation, all series of units thereof) of which RBC Global Asset Management Inc. ("**RBC GAM**") is trustee, was trustee or may be trustee at any time prior to approval of the Settlement Agreement (as defined below) (but only in respect of the period during which RBC GAM is trustee, was trustee or may be trustee, as applicable), including, for greater certainty, (i) those mutual funds that have been or may be terminated, (ii) those mutual funds that have been or may be merged into other mutual funds, and (iii) those mutual funds that have undergone or may undergo name changes.
>
> **"PH&N Mutual Funds"** means all mutual fund trusts (including, without limitation, all series of units thereof) of which RBC Investor Services Trust ("**RBC IS**") is trustee, was trustee or may be trustee at any time prior to approval of the Settlement Agreement (as defined below) (but only in respect of the period during which RBC IS is trustee, was trustee or may be trustee, as applicable), including, for greater certainty, (i) those mutual funds that have been or may be terminated, (ii) those mutual funds that have been or may be merged into other mutual funds, and (iii) those mutual funds that have undergone or may undergo name changes.
>
> "**Excluded Persons**" RBC GAM and RBC IS (together, the "**Defendants**"); the past and present parents, subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns of each of the Defendants; and the past and present members of the independent review committee of the RBC Mutual Funds or the PH&N Mutual Funds; and any person who validly opted out of the class action.

Examples of discount brokers are RBC Direct Investing, BMO InvestorLine, CIBC Investor's Edge, National Bank Direct Brokerage, Scotia iTRADE, TD Direct Investing, CI Direct Trading, Qtrade, Desjardins Online Brokerage, HSBC InvestDirect, Laurentian Bank Discount Brokerage, Wealthsimple, Questrade, and Interactive Brokers. They may have had different names in the past.

A settlement ("**Settlement**") has been reached in the class action in the Ontario Superior Court of Justice against the Defendants ("**Action**"). This notice contains important details about the Settlement.

OBJECTION DEADLINE

Objection Deadline (to object to the Settlement, Class Counsel's fee request or the Distribution Protocol): **August 18, 2026**.

THE NATURE OF THE CLAIMS ASSERTED

It is alleged that the Defendants improperly paid trailing commissions, out of the management fees paid out of the RBC Mutual Fund and PH&N Mutual Fund assets, to discount brokers. The RBC Mutual Funds and PH&N Mutual Funds are trusts governed by trust instruments. RBC GAM is the trustee and manager of the

RBC Mutual Funds. RBC IS is the trustee of the PH&N Mutual Funds. RBC GAM is the manager of the PH&N Mutual Funds. It is alleged that the Defendants breached their duties as trustees and fiduciaries because the trailing commissions paid to discount brokers are excessive, inflated and/or unearned.

It is further alleged that the Defendants made misrepresentations about the nature of the trailing commission payments.

The Defendants have denied these allegations and continue to deny all allegations.

On behalf of the Class, the Action asserts claims under section 130 of the Ontario Securities Act and, if necessary, the equivalent provisions of the securities legislation of the other Canadian provinces and territories. Additionally, the Action advances claims under section 23.1 of the Trustee Act, and for breach of trust, fiduciary duty and contract.

THE CERTIFICATION ORDER

By Order dated July 25, 2024, the Ontario Superior Court of Justice ("**Court**") certified the Action as a class proceeding under the Ontario *Class Proceedings Act, 1992*. The Court appointed the plaintiff, Peter Ross, as the representative plaintiff for the Class ("**Plaintiff**").

THE SETTLEMENT

On June 19, 2026, the Plaintiff and the Defendants executed a Settlement Agreement ("**Settlement Agreement**"), which is subject to approval by the Court. The Settlement Agreement provides for the payment of C$45,000,000 ("**Settlement Amount**") in consideration of the full and final settlement of the claims of Class Members.

The Settlement Agreement provides that if approved by the Court, the claims of Class Members asserted or that could have been asserted in the Action will be fully and finally released, and the Action will be dismissed.

The Settlement Agreement is not an admission of liability, wrongdoing, or fault on the part of the Defendants, which have denied, and continue to deny, the allegations against them.

SETTLEMENT APPROVAL HEARING

The Settlement Agreement is conditional on approval by the Court. The Settlement Agreement will be approved if the Court determines that it is fair and reasonable and in the best interests of the Class Members to approve it.

The Court will hear a motion for approval of the Settlement on September 8, 2026 at 10:30 am.

CLASS COUNSEL'S FEES AND OTHER EXPENSES

The Plaintiff and the Class are represented by Siskinds LLP ("**Class Counsel**"). Class Counsel are conducting the Action on a contingent fee basis. On September 8, 2026, Class Counsel will make a motion to the Court for approval of their fees and the fees of Bates Barristers P.C., which in the aggregate will not exceed C$12,600,000, plus reimbursement for expenses incurred in the litigation in the maximum amount of C$200,000, plus applicable taxes on the fees and expenses.

A funding agreement between the Plaintiff and Claims Funding International, PLC ("**Funder**") was previously approved by the Court on October 21, 2019. Amounts owing to the Funder will be deducted from the amounts to be distributed to the Class Members before the actual distribution.

On September 8, 2026, Class Counsel will also seek the Court's approval for the payment of an honorarium to the Plaintiff in the maximum amount of C$10,000. Class Counsel will be requesting that the honorarium be deducted directly from the Settlement Amount.

The fees of the claims administrator, together with any other costs relating to approval, notification, implementation and administration of the Settlement ("**Administration Expenses**"), will also be paid from the Settlement Amount.

CLASS MEMBERS' ENTITLEMENT TO COMPENSATION

If the Settlement Agreement is approved by the Court, the Settlement Amount, after deduction of Class Counsel's fees and expenses, amounts payable to the Funder, any approved honorarium for the Plaintiff and Administration Expenses ("**Net Settlement Amount**") will be distributed to Class Members who file valid and timely claims in accordance with the Distribution Protocol.

On September 8, 2026, the Plaintiff will seek the Court's approval of the Distribution Protocol and a process by which Class Members can claim compensation from the Net Settlement Amount.

The proposed Distribution Protocol will provide that in order to determine the individual entitlements of Class Members who make claims, the losses of each claimant will be calculated in accordance with the Distribution Protocol. Once the notional losses of all Class Members who have filed valid claims have been calculated, the Net Settlement Amount will be allocated to those Class Members in proportion to their percentage of the total notional losses calculated for all valid claims filed. Because the Net Settlement Amount will be distributed *pro rata*, it is not possible to estimate the individual recovery of any individual Class Member until all the claims have been received and reviewed.

The approval of the Settlement Agreement is not contingent on the approval of the Distribution Protocol. The Court may still approve the Settlement Agreement even if it does not approve the Distribution Protocol or approves amendments to the Distribution Protocol.

PARTICIPATION IN THE APPROVAL MOTION

The following material will be posted on Class Counsel's website dedicated to the Action (https://www.siskinds.com/class-action/mutual-fund-trailing-commissions/) on or before the dates set out below:

1. the Settlement Agreement (posted prior to or at the time of the publication of this notice);

2. the proposed Distribution Protocol and a guide to the Distribution Protocol (posted by July 28, 2026); and

3. a summary of the basis upon which Class Counsel recommends the Settlement and Distribution Protocol (posted by July 28, 2026f).

Class Members who wish to comment on, or make an objection to, the approval of the Settlement Agreement, the Distribution Protocol or the fees and disbursements of Class Counsel shall deliver (by email, mail or courier) a written submission to Class Counsel, to be postmarked or received no later than **August 18, 2026**, at the following email address or mailing address:

Gigi Pao
Siskinds LLP
275 Dundas Street, Unit 1, P.O. Box 2520, London, ON N6B 3L1
Tel: 226-330-0409
Email: gigi.pao@siskinds.com

Any objections delivered by that date will be filed with the Court.

Class Members may attend at the hearing whether or not they deliver an objection. Class Members who wish to have a lawyer speak on their behalf at the hearing may retain one to do so at their own expense.

ADDITIONAL INFORMATION

This notice has been approved by the Ontario Superior Court of Justice. The Court offices cannot answer any questions about the matters in this notice. The Orders of the Court and other information in both languages are available on Class Counsel's website at https://www.siskinds.com/class-action/mutual-fund-trailing-commissions/.

Questions relating to the Action may be directed to Class Counsel using the contact details above.

Si vous avez besoin d'aide en français, veuillez contacter les avocats du groupe en utilisant les coordonnées ci-dessus et nous dirigerons votre demande vers une personne appropriée.

The publication of this notice was authorized by the Ontario Superior Court of Justice