

DISCLOSURE OF GENERAL TERMS AND CONDITIONS FOR CUSTOMER ORDER HANDLING

Limit and Market Order Protection Under FINRA Rule 5320

RCM is engaged in market-making activities in multiple trading units and in various equity securities.

RCM's market making trading units may engage in executing orders received from its broker dealer and/or institutional clients. Accordingly, and pursuant to FINRA Rule 5320, a RCM "No-Knowledge Unit," (i.e., a RCM trading unit that has no knowledge of orders handled by another RCM trading unit), is not required to provide order protection to unexecuted market or limit orders handled by that other RCM trading unit. RCM has implemented internal controls, including information barriers, designed to prevent its trading units from obtaining knowledge of the orders handled by other trading units.

As a result, RCM may trade for its own account in a No-Knowledge Unit at a price that would satisfy a client order resting in another RCM trading unit without providing an execution to that resting client order.

For Manning eligible orders, RCM provides price-for-price and share-for-share Manning protection to market, limit, and marketable limit orders.

Pre-Market and Post-Market Execution Risk

RCM wishes to make the following disclosures regarding orders submitted for execution in the pre-market or post market sessions.

1. **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.
2. **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.
3. **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.

4. Risk of Unlinked Markets. Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hour 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.
5. 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.
6. 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.
7. Risk that Current Underlying Index Value or Intraday Indicative Value (“IIV”) is Unavailable. For certain Derivative Securities Products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during the pre-market and post-market sessions, an investor who is unable to calculate implied values for certain Derivative Securities Products in those sessions may be at a disadvantage to market professionals.

Held and Not Held Orders

The purpose of this disclosure is to confirm our mutual understanding of the manner in which

RCM will handle orders in equity securities for its institutional customers and broker-dealer counterparties.

Unless stated otherwise or there are specific order instructions, terms or conditions to the contrary, it is RCM’s understanding that all orders it receives will be deemed handled and executed on a “not Held” basis, and RCM will work such order accordingly.

A Not Held order provides RCM with the discretion to exercise its brokerage judgment regarding the price and/or time at which a trade is to be executed in order to seek the best execution of your order. Designating an order as Not Held allows RCM the flexibility and discretion to act in your interest by seeking the best execution possible under the circumstances. Please be advised that according to FINRA rules, a Not Held order is not considered a priced order.

“Held” orders do not permit discretion in the handling of your order. In addition should your firm enter a market or limit order, such a Held order obligates RCM to execute the market order immediately at the then prevailing market price or the limit order at your limit price (or better), which may not be the best price that can ultimately be obtained.

Should you have any questions or wish RCM to treat your orders other than as Not Held please contact your sales Representative.

Net Trading

A net transaction means a principal transaction in which RCM, after having received an order to buy (sell) an equity security, purchases (sells) the security at one price and then sell to (buys from) you at a different price. The price difference represents the compensation that RCM receives for facilitating your order. Generally, RCM does not accept net orders from institutional customers. In the event that it does, it will obtain either blanket or order by order consent. RCM may handle orders from broker dealers on a net basis unless instructed otherwise on a blanket or order by order basis.

MARGIN DISCLOSURE STATEMENT

Securities purchased on margin are the firm's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, the firm can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the member, in order to maintain the required equity in the account. It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- You can lose more funds than you deposit in the margin account.
- The firm can force the sale of securities or other assets in your account(s).
- The firm can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.
- The firm can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

AVAILABILITY OF ORDER ROUTING STATISTICS

RCM is required to publish quarterly statistics regarding its customer agency order routing practices.

This information is available on the internet at

<https://private.tagaudit.com/do/display?page=Rule606%3A%3AReport%3A%3APublic&subpage=Rule606%3A%3AReport%3A%3Aguts&heading=Development&cat1=XH&cat2=XH2&topic=Rule606&stitle=Rule+606&mypage=nyse&tctrl%28usr%29=raff> and in hard copy for those who do not have access to the internet.

The report is published by the end of the month following the calendar quarter reported. In addition to quarterly reports, information about the routing of individual customer orders is available to customers, upon request, for the prior six months' trading activity.