



RBC Royal Bank®

RBC Royal Bank® VISA⁺ CreditLine for small business™ Cardholder Agreement



45744 (09/2010)

In consideration of the mutual promises stated in this Agreement, we agree with you as follows:

- 1. What the Words Mean:** In this Agreement, please remember that, “we”, “our” and “us” mean the Applicant and each Cardholder, and “you” and “your” mean Royal Bank of Canada and RBC® companies.

Please also remember that in this Agreement:

“**Account**” means the RBC Royal Bank® Visa CreditLine for small business account you have opened in the Applicant’s name to which all Debt is charged.

“**Account Statement**” means your written statement of the Account that you prepare for the Applicant each month unless there has been no Account activity and no Debt is owing.

“**Applicant**” means the customer identified as the applicant in the Application.

“**Application**” means the request made to you for the Account and each Card.

“**Card**” means any Chargex+/Visa credit card you issue to a Cardholder on an Account in their name and all renewals of and replacements for that credit card.

“**Cardholder**” means an individual for whom you have issued a Card on the Account at the Applicant’s request.

“**Cash Advance**” means an advance of cash that is charged to the Account with or in connection with a Card (or any other eligible Account access card you have issued to a Cardholder), and includes bill payments made from a bank branch, at a banking machine (ATM) or on the Internet, Cheques, balances transferred from another credit card and Cash-like Transactions.

“**Cash-Like Transactions**” means transactions which are similar to cash and you treat as Cash Advances, including, without limitation, money orders, wire transfers, traveller’s cheques and gaming transactions (including betting, off-track betting, race track wagers, casino gaming chips, lottery tickets).

“**Cheque**” means a cheque drawn on the Account.

“**Credit Limit**” means the maximum amount of Debt that can remain outstanding and unpaid under this Agreement at any time.

“**Debt**” means, on any day, the total amount owing to you under this Agreement that is made up of the unpaid principal balance of the amounts charged to the Account with or in connection with Cards and Cheques, including Purchases, Cash Advances, Interest and Fees.

“**Fee**” means a fee that applies to the Account, as set out in this Agreement and in any document, written statement or other communication you may send to us from time to time.

“**Interest Rate**” means the annual percentage rate of interest in effect for the period covered by and shown on an Account Statement.

“**Minimum Payment**” means the amount indicated as such on an Account Statement.

“**New Balance**” means the amount indicated as such on an Account Statement.

“**Payment Due Date**” means the date indicated as such on an Account Statement.

“**Personal Identification Number**” or “**PIN**” means the personal identification number that you provide to a Cardholder or that is selected by a Cardholder in your prescribed manner.

“**Purchase**” means a purchase of goods or services (or both) that is charged to the Account with or in connection with a Card or a Cheque.

“**Prime Interest Rate**” means the annual rate of interest you announce from time to time and post at your branches and on your website as a reference rate then in effect for determining interest rates of Canadian dollar commercial loans in Canada.

“**Statement Date**” means the last date of the Account Statement period for which an Account Statement is produced.

- 2. General Terms of Agreement:** This Agreement applies to the Account and to each Card and Cheque. This Agreement replaces all prior Cardholder agreements between you and us for the Account and each Card and Cheque.

This Agreement is our promise to pay all Debt. It, together with our Application, explains our rights and duties.

If a Cardholder signs, activates or uses their Card, or the Account is used, it will mean that we have received and read this Agreement. It will also mean that we have understood and agreed with you to everything written here.

We must promptly give you up-to-date credit and financially related information about us when you ask for it.

- 3. Account Opening/Card Issuance and Renewal:** You will issue a Card on the Account to each Cardholder the Applicant has specified to you for this purpose. You will only do this after you have received a copy of your prescribed request form, completed and signed by us.

You will also issue renewal and replacement Cards (excluding an emergency replacement Card) to each Cardholder before the expiration date specified on the Card last issued to them. You will continue to issue renewal and replacement Cards to each Cardholder in this way until the Applicant or the Cardholder tells you to stop. An emergency replacement Card will be issued by you to a Cardholder when required, according to the procedures you have in place for this.

- 4. Account and Card Use:** A Cardholder may use the Account and their Card and write a Cheque to obtain advances of money from you through Purchase transactions, Cash Advance transactions and other transactions you permit from time to time. A Card may only be used by the Cardholder to whom it has been issued.

A Cardholder must not use a Card after the expiration date shown on it or after the termination of this Agreement. The use of the Account and each Card and Cheque is governed by the terms of this Agreement. A Cardholder may not use their Card or write a Cheque for any illegal, improper or unlawful purpose. You reserve the right to refuse your authorization for certain types of transactions as determined by you, including but not limited to transactions connected to Internet gambling.

- 5. Card Ownership:** You are the owner of each Card. We do not have the right to assign or transfer this Agreement, any Card or the Account to anyone else.

- 6. Lost or Stolen Card:** The Applicant or the Cardholder must tell you at once if the Cardholder’s Card is lost or stolen or if the Applicant or the Cardholder suspects it is lost or stolen or being used by someone else. The Applicant or the Cardholder may do this in the way you have set out on each Account Statement.

Once we have told you that a Card has been or may have been lost, stolen or misused, you will be able to prevent use of the Card and Account number. You can also block use of any Card and prevent use of an Account number without telling us if you suspect unauthorized or fraudulent use of the Card or Account number.

- 7. Card Cancellation:** If the Applicant wants you to cancel a Cardholder’s Card for any reason (including, without limitation, the death of the Cardholder), the Applicant must tell you to do so.

- 8. Credit Limit:** You will set a Credit Limit for the Account, and you may change it periodically. You will tell us what the current Credit Limit is on the document accompanying each Card when you issue it and on each Account Statement.

This is the maximum amount of Debt you permit us to have at any time. However, you may (but are not required to, even if you have done so before) permit that Debt to exceed the Credit Limit you set from time to time. We understand that the use of any Card and the Account may be suspended, at your discretion, if the Credit Limit is exceeded. An over-limit fee will be charged to an Account when the Debt exceeds the Credit Limit at the Statement Date.

You may at any time refuse to permit the Debt to exceed the credit limit and require us to pay any balances which exceed the Credit Limit. If the transaction you refuse to authorize is a Visa Cheque drawn on an Account for an amount that exceeds the Credit Limit, an NSF/ Dishonoured Visa Cheque fee will be charged to the Account.

- 9. PIN and Other Security Features:** You will treat a PIN as the Cardholder’s authorization whenever it is used with a Card and any transactions done using the Card with the PIN will have the same legal effect as if the Cardholder signed a written direction to you.

We will protect the security of our Cards and the Account by keeping our PIN confidential and separate from our Cards at all times. We will select a PIN which cannot be easily guessed. We will not select a PIN combination from our name, date of birth, telephone numbers, address or social insurance numbers. No one but the Cardholder is permitted to know or use the PIN or any other security codes such as passwords, access codes and Account numbers that may be used or required for Internet or other transactions. We will keep these security codes confidential and separate as well.

If someone uses a Card and PIN or Account number with any other security code to make a purchase or otherwise obtain the benefits of the Card, we will be fully liable for all Debt incurred in connection with such use except in cases of fraudulent or unauthorized use.

We will not be responsible for Debt charged to our Account as a result of the fraudulent and unauthorized use of a Card, Cheque or Account number, provided that we can establish to you that we have taken reasonable steps to protect Cards and Cheques against loss or theft and to safeguard our PIN and other security codes in the manner set out in this Agreement or as you may otherwise advise us from time to time. We will remain fully responsible for all Debt if we voluntarily disclose our PIN or other security code or otherwise contribute to the unauthorized or fraudulent use of a Card or access to the Account, or fail to tell you in a reasonable time that a Card or Cheque has been lost or stolen or that we believe someone else may know our PIN or other security code.

- 10. Liability for Debt:** Subject to Section 9, we will be jointly and severally (in Quebec, solidarily) liable to you for all Debt, no matter how it is incurred or who has incurred it and even though you may send Account Statements to the Applicant and not to Cardholders. We will also be jointly and severally (in Quebec, solidarily) liable to you for everything else we have agreed to with you in this Agreement.

You may apply any money the Applicant or a Cardholder has (or we have) on deposit with you or any RBC companies against any Debt we have not paid to you as required under this Agreement.

- 11. Making Payments:** It is our responsibility to ensure that payment on the Account is received by you for credit to the Account by the Payment Due Date shown on each Account Statement.

Payments can be made on the Account at any time. Payments can be made by mail, at one of your branches, or ATMs that processes payments, by telephone or on the Internet. Even when normal postal service is disrupted, payments must continue to be made on the Account.

Payments do not automatically adjust the available Credit Limit. This generally occurs within one to three business days following receipt of a Cardholder’s payment, depending on how payment is made.

We can also ask you to process our payment on each Payment Due Date each month by automatically debiting a bank account that we designate for that purpose. We may choose to pay the Minimum Payment or the New Balance each month. If we ask you to automatically process payments as pre-authorized debits in this manner, the terms and conditions, including the right to receive reimbursement in certain circumstances, set out in Rule H1 of the Rules of the Canadian Payments Association, as amended from time to time, as well as this Agreement will apply. In addition, we agree to waive any pre-notification requirements that exist where variable payment amounts are being authorized. We may notify you at anytime that we wish to revoke our authorization. To obtain more information on our recourse rights, we may contact the financial institution that holds the bank account we have designated or visit www.cdnpay.ca.

- 12. Interest Rate:** The annual Interest Rate in effect for the entire period covered by an Account Statement is calculated by taking your Prime Interest Rate in effect on the first business day of the month in which you prepare our Account Statement and adding the interest rate premium (percentage) applicable to our Account. You will tell us what our initial interest rate premium is in a document accompanying a Card. Our current Interest Rate is shown on each Account Statement and changes as your Prime Interest Rate changes. You will review our Account and Interest Rate from time to time, and may decrease or increase our interest rate premium at any time. If you change our interest rate premium above your Prime Interest Rate, you will give us 30 days written notice.

- 13. Special Offers:** You may make special offers to us or any Cardholder from time to time, including offers that may temporarily lower the Interest Rate on certain types of transactions such as Cash Advances or Cheques specifically provided for this purpose. If you do make such offers, they shall be subject to the terms and conditions of this Agreement together with any additional terms and conditions which will be included with the offer. Use of any Cheques or otherwise taking advantage of any special offer by us or any Cardholder shall constitute acceptance to the terms and conditions of this Agreement and of any additional terms and conditions provided with the offer. At the end of the special offer the terms and conditions of the special offer shall be terminated and the terms and conditions of this Agreement, including those related to Interest Rate (Cash Advances, including Cheques), shall continue to apply.

- 14. Payment of Debt:**

a. Subject to Subsections 14 (b), 14 (c) and Section 23, we may pay the Debt we owe to you in full or in part at any time.

b. Subject to Subsection 14 (c) and Section 23, we must make a Minimum Payment, by the Payment Due Date as shown on the Account Statement, equal to the lesser of i) \$100 plus interest and Fees, as shown on the Account Statement, and ii) our New Balance, as shown on the Account Statement, in order to keep the Account up to date. Any past-due amounts will continue to be included in your Minimum Payment amount.

c. We must also pay the amount of any Debt that exceeds the Credit Limit at once to keep the Account up to date. We must pay this excess, even though you may not yet have sent an Account Statement to the Applicant on which that excess appears.

d. We must keep the Account up to date at all times, even when you are delayed in or prevented from sending, for any reason any one or more Account Statements to the Applicant. We must contact one of your branches in Canada or your Card Centre at 1-800 ROYAL® 1-2 at least once a month during such a delay or interruption to obtain any payment information we do not have and need to know in order to comply with this Section.

e. If any payment made by us in respect of the Account is not honoured, or if you must return it to us because it cannot be processed, the applicable Fee will be charged under Section 17, and Card privileges may be revoked or suspended by you.

- 15. Foreign Currency Transactions:** You will bill us in Canadian currency. If any Debt or other transaction is not incurred in Canadian dollars, you will convert our charges into Canadian dollars at your exchange rate, which is 2.5% over the exchange rate set by Visa International, in effect at the time you post the converted Debt or other transaction to the Account. You will show the exchange rate which includes this 2.5% mark up for each transaction on our Account Statement. Interest will also be charged on the full value of our foreign Debt or other transaction, as determined using our exchange rate.

- 16. Interest Charges:**

a. Interest on Debt: We will pay you interest on the Debt at a rate equal to the Interest Rate in effect in the manner set out in this Section.

b. Interest Calculation: You will charge us interest on the amount of each Purchase, Cash Advance and Fee from (and including) the transaction date recorded for them on the Account Statement, where they appeared for the first time, to the day you receive payment in full of the Debt.

The interest you charge on the Debt accrues daily. You will calculate this interest by multiplying the Debt outstanding on any day by the Interest Rate in effect and dividing the result by the number of days in the year.

c. Interest Posting: You will post the interest we owe on the Debt for the period covered by an Account Statement to the Account at the end of that period. Since the interest you charge on the Debt accrues daily up to the time you receive a payment of the Debt, the interest charges on the Debt for that period can only be calculated and included on the Account Statement that shows the payment.

17. Payment Allocation: When we make a payment you will apply the amount up to our Minimum Payment, first to any interest and second to any fees. You will apply the remainder of any Minimum Payment to our New Balance, generally starting with amounts bearing the lowest interest rate before amounts bearing higher interest rates. If we pay more than our Minimum Payment, you will apply the amount over the Minimum Payment to the remainder of our New Balance. If the different amounts that make up our New Balance are subject to different interest rates, you will allocate our excess payment in the same proportion as each amount bears to the remainder of our New Balance. If we have paid more than our New Balance, you will apply any payment in excess of the New Balance to amounts that have not yet appeared on our Account Statement in the same manner as set out above. Credits arising from returns or adjustments are generally first applied to transactions of a similar type, second to any interest and fees, and the remainder to other amounts owing in the same manner as you apply payments in excess of the Minimum Payment. We are not permitted to make a payment in respect of a Cardholder's Account exceeding the Credit Limit for the Account unless the Debt at the time of payment is more than the Credit Limit. Unless you otherwise agree, any payment must be made in money which is legal tender at the time of payment. As well, the mere lapse of the time fixed for performing an obligation under this Agreement will have the effect of putting us in default of it.

18. Fees: The following Fees apply to the Account and each Card and will be posted to the Account at the time we incur them:

"Cash Advance Fee": No additional charge for a Cash Advance obtained from one of your ATMs in Canada. \$3.50 for a Cash Advance obtained from any other designated ATM located in Canada, and \$5.00 if the machine is located outside Canada.

"Over-limit Fee": \$25.00 if the New Balance exceeds the Credit Limit.

"Dishonoured Payment Fee": \$40.00 for each Cheque or other instrument used to pay Debt that is dishonoured by the financial institution on which it is drawn. (This Fee is in addition to any fee charged by that financial institution for insufficient funds in your Account.)

"Transaction Receipt Copy Fee": No charge for a copy that relates to a transaction on our current Account Statement. \$2.00 for each copy for any other Account Statement period. Receipt copies are not always available for Purchases made using the Card with our PIN.

"Statement Update Fee": \$1.50 will be charged for each Account Statement update obtained from one of your branches in Canada or at an ATM that provides Account Statement updates; \$5.00 for each Account Statement copy ordered by telephone.

19. Debt Incurred Without a Card: If a Cardholder incurs Debt without having presented their Card to a merchant (such as for Internet, mail order or telephone Purchases), the legal effect will be the same as if they used their Card and signed a Purchase or Cash Advance draft.

20. RBC Rewards® Cardholders earn RBC Rewards points, which can be redeemed for merchandise, travel and other rewards. The RBC Rewards Terms and Conditions set out the terms of participation in the RBC Rewards program. They are available for our review at www.rbc rewards.com and are subject to change without notice to us.

21. Transfer of Your Rights: You may transfer any or all of your rights under this Agreement by way of assignment, sale or otherwise. If you do so, you can give information concerning the Account to anyone you transfer your rights to, but will ensure that they are bound to respect our privacy rights in that information.

22. Changes to Agreement: You may change this Agreement periodically. We will be given at least 30 days prior written notice of each change, directed to the Applicant's address last appearing on your records. If the Account is accessed or any transaction is made on the Account or any Debt remains unpaid after the effective date of a change, it will mean that we have agreed to the change. The benefits and services you provide to Cardholders are subject to terms and conditions which may be amended by you from time to time without notice to us.

23. Termination:

a. You and any one of us may terminate this Agreement at any time by giving written notice of termination to the party/parties to be bound by that written notice. You must direct your written notice to the Applicant's address last appearing on your records. Our written notice must be directed to your address appearing on the last Account Statements you have sent to the Applicant.

b. You may terminate this Agreement at once without giving us any notice, if

- Any one of us becomes insolvent or bankrupt;
- Someone files a petition in bankruptcy against any one of us;
- Any one of us makes an authorized assignment for the benefit of our creditors;
- Any one of us or someone else institutes any proceeding for the dissolution, liquidation or winding up of our affairs;
- Any one of us or someone else institutes any other type of insolvency proceeding involving our assets under the Bankruptcy and Insolvency Act or otherwise;
- The Applicant ceases or gives official notice of its intention to cease to carry on business or makes or agrees to make a bulk sale of its assets without complying with applicable laws or any one of us commits an act of bankruptcy; or
- We do not pay any Debt as required under this Agreement.

c. Upon termination of this Agreement, we must pay all Debt to you at once and return each Card to you at once, cut in half.

If we fail to comply with our obligations to you under this Agreement, we will be liable to you for the following:

- All court costs and legal fees and expenses (on a solicitor/client basis) you incur through any legal process to recover any Debt; and
- All costs and expenses you incur in reclaiming any Card.

24. Problems With a Purchase: You will not be responsible for any problem the Applicant or a Cardholder has with any Purchase. If there is a problem or dispute with a merchant regarding a Purchase, we must still pay all Debt as required by this Agreement and settle the problem or dispute directly with the merchant. You will also not be responsible if any Card is not honoured by a merchant at any time and for any other problem or dispute the Applicant or a Cardholder may have with the merchant.

25. Account Verification: You will prepare our Account Statement at approximately the same time each month. If the date on which you would ordinarily prepare our Account Statement falls on a date for which you do not process statements (for example, weekends and certain holidays), you will prepare our Account Statement on your next statement processing day. Our Payment Due Date will be adjusted accordingly. We must notify you in writing of any errors, omissions or objections to an Account Statement, or an entry or balance recorded in it, within 30 days from the Statement Date for that Account Statement. If we do not notify you as required, you are entitled to treat the above Account Statements, entries and balances as complete, correct and binding on us, and you will be released from all claims by us in respect of those Account Statements, entries and balances.

You may use a microfilm, electronic or other reproduction of any Purchase, Cash Advance draft, Cheque or other document evidencing Debt to establish our liability for that Debt.

26. Electronic Communication: We acknowledge and agree that you may provide Account Statements, this Agreement or other documents relating to an Account electronically, including over the Internet or to an email address we provide you for this purpose, with our consent. Documents sent electronically will be considered to be "in writing" and to have been signed and delivered by you. You may rely on and consider any electronically authenticated document received from us or which appears to have been received from us as authorized and binding on us.

In order to communicate with you by electronic means, we agree to comply and require each Cardholder to comply with certain security protocols that you may establish from time to time and to take all reasonable steps to prevent unauthorized access to any Account Statement and any other document exchanges electronically.

27. Limitations on Your Liability: You try to ensure that our Card and Account number are accepted when presented but you will not be liable to us for damages (including special, indirect or consequential damages) that may result if, for any reason, our Card or Account number is not accepted or are unable to access our Account.

28. Collection and Use of Personal Information:

Collecting your Personal Information:

a. You may from time to time collect financial and other information about us such as the following:

- Information establishing our identity (for example, name, address, phone number, date of birth, etc.) and our personal background;
- Information related to transactions arising from our relationship with and through you, and from other financial institutions;
- Information we provide on an application for any of your products and services;
- Information for the provision of products and services; and
- Information about financial behaviour such as our payment history and creditworthiness.

You may collect and confirm this information during the course of our relationship. You may obtain this information from a variety of sources, including from us, from service arrangements we make with or through you, from credit reporting agencies and other financial institutions, from registries, from references we provide to you and from other sources, as is necessary for the provision of your products and services.

We acknowledge receipt of notice that from time to time reports about us may be obtained by you from credit reporting agencies.

Using your Personal Information:

b. This information may be used from time to time for the following purposes:

- To verify our identity and investigate our personal background;
- To open and operate our account(s) and provide us with products and services we may request;
- To better understand our financial situation;
- To determine our eligibility for products and services you offer;
- To help you better understand the current and future needs of your clients;
- To communicate to us any benefit, feature and other information about products and services we have with you;
- To help you better manage your business and your relationship with us;
- To operate the Visa Card System;
- To maintain the accuracy and integrity of information held by a credit reporting agency; and
- As required or permitted by law.

c. For the purposes outlined in (b) above, you may:

- Make this information available to your employees, your agents and service providers, who are required to maintain the confidentiality of this information;
- Share this information with other financial institutions; and
- Give credit, financial and other related information to credit reporting agencies, who may share it with others.

In the event your service provider is located outside of Canada, the Service provider is bound by, and the information may be disclosed in accordance with, the laws of the jurisdiction in which the service provider is located.

Upon our request, you may give this information to other persons.

You may also use this information and share it with RBC companies (i) to manage your risks and operations and those of RBC companies; (ii) to comply with valid requests for information about us from regulators, government agencies, public bodies or other entities who have a right to issue such requests; and (iii) to let RBC companies know our choices, under Subsection (d), "Other Uses of Our Personal Information," for the sole purpose of honouring our choices.

If you have our Social Insurance Number, you may use it for tax-related purposes if we hold a product generating income and share it with the appropriate government agencies, and you may also share it with credit reporting agencies as an aid to identify us.

d. Other Uses of Our Personal Information:

- You may use this information to promote your products and services, and promote products and services of third parties you select, which may be of interest to us. You may communicate with us through various channels, including telephone, computer or mail, using the contact information we have provided.
- You may also, where not prohibited by law, share this information with RBC companies for the purpose of referring us to them or promoting to us products and services which may be of interest to us. You and RBC companies may communicate with us through various channels, including telephone, computer or mail, using contact information we have provided. We acknowledge that, as a result of such sharing, they may advise you of those products or services provided.
- If we also deal with RBC companies, you may, where not prohibited by law, consolidate this information with information they have about us to allow you and any of them to manage our relationship with RBC companies and your business.

We understand that you and RBC companies are separate, affiliated corporations. RBC companies include your affiliates which are engaged in the business of providing any one or more of the following services to the public: deposits, loans and other personal financial services; credit, charge and payment card services; trust and custodial services; securities and brokerage services; and insurance services.

We may choose not to have this information shared or used for any of these "Other uses" by contacting you as set out below, and in this event, we will not be refused credit or other services just for that reason. You will respect our choices, and, as mentioned above, you may share our choices with RBC companies for the sole purpose of honouring our choices regarding "Other Uses of Our Personal Information".

e. Our Right To Access Our Personal Information: We may obtain access to the information you hold about us at any time and review its content and accuracy and have it amended as appropriate; however, access may be restricted as permitted or required by law. To request access to such information, to ask questions about your privacy policies or to request that the information not be used for any or all of the purposes outlined in Subsection (d), "Other Uses of Our Personal Information," we may do so now, or at any time in the future:

- By contacting our branch; or
- By calling you toll-free at 1-800 ROYAL® 1-1 (1-800-769-2511).

f. Your Privacy Policies: We may obtain more information about your privacy policies by asking for a copy of your "Financial fraud prevention and privacy protection" brochure about privacy, by calling you at the toll-free number shown above or by visiting your website at www.rbc.com/privacysecurity.

29. Additional Access to Account: We authorize any individual holding a business client card or business client identification number (B.C.I.N.), issued by you in the name of the Applicant, to obtain advances from the Account, to transfer and deposit funds to the credit of the Account and to obtain information about the Account and transactions on the Account by using such business client card or B.C.I.N. in accordance with the terms of the agreements governing the use of such business client card or B.C.I.N.

We agree that we will be jointly and severally (in Quebec, solidarily) liable to you for all transactions on the Account resulting from the use of such business client card or B.C.I.N. as authorized by this Section.

30. Language: We have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. *Nous avons expressément demandé que ce contrat et tout document y afférent, y compris tout avis, soient rédigés en langue anglaise.*

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