



**Canada Emergency Business Account funded by the Government of Canada**

**Enrollment Terms and Conditions**

**IMPORTANT!** Please review the following Enrollment Terms and Conditions ("**Terms and Conditions**") which are part of the online enrollment form ("**Enrollment Form**") for the *Canada Emergency Business Account*, funded by the Government of Canada ("**CEBA Account**"), as well as *Part 1-RBC® CreditLine For Small Business™ Account Agreement*, *Part 2-Non-Revolving Term Loan Provisions* and *Part 3-Early Payment Credit Terms*, that follow the Terms and Conditions.

In these Terms and Conditions, "**Organization**" refers to the organization whose business legal name appears in this Enrollment Form, "**Owner**" refers to any individual who owns the Organization as a sole proprietor, or has invested in the Organization as a partner, shareholder, member, limited partner or beneficial owner. "**You**" and "**your**" refer to any Owner or any other person who is authorized to act and make financial decisions on behalf of the Organization, identified in, and submitting this, Enrollment Form, and "**we**", "**us**", "**our**" or "**Royal Bank**" refers to Royal Bank of Canada.

You must read these Terms and Conditions and confirm that you have read, understand and agree with them before submitting the Enrollment Form.

**I. AGREEMENT AND CONSENT TO THE TERMS AND CONDITIONS**

Checking the "agreement" tick box, clicking "**Submit**" and proceeding with this Enrollment Form confirms that:

- a. you have authority to legally bind the Organization;
- b. if your Organization is a partnership, you have authority to legally bind all of the Owners;
- c. your Organization meets all the eligibility requirements outlined at the beginning of the Enrollment Form;
- d. you have read, understand and agree with these Terms and Conditions;
- e. you have read, understand and agree with Part 3-Early Payment Credit Terms, that follow the Terms and Conditions;
- f. you have read, understand and agree with the information set out in the Important Fees and Interest Rate Information box ("**Important Fees and Interest Rate Information**") for the RBC® CreditLine For Small Business™ account, which was presented as part of the Enrollment Form;
- g. the information provided in this Enrollment Form is accurate and complete, and you acknowledge that we, the Government of Canada and its agents will all be relying on such information;

- h. you agree, if requested, to provide us, the Government of Canada and its agents with additional information;
- i. you have reached the age of majority in your province/territory of residence; and
- j. you have read, understand and agree with the Section titled “**Protecting Your Privacy**” below.

If: (i) you do not have the authority to legally bind the Organization, (ii) you cannot confirm or do not comply with one (1) or more criteria listed above, or (iii) these Terms and Conditions are not acceptable to you, click “**Cancel**” and contact an RBC Royal Bank representative for further assistance.

For future reference, you can print or save these Terms and Conditions by clicking “**Print or Save**” now or you can access them later online.

## II. **RBC CREDITLINE FOR SMALL BUSINESS ACCOUNT**

Once enrolled for the CEBA Account, you:

- a. request us to open an RBC CreditLine for Small Business account (“**CLSB Account**”) in the name of the Organization;
- b. agree to comply with all the terms and conditions set out in *Part 1-RBC CreditLine for Small Business Agreement* that follow these Terms and Conditions, as may be amended, replaced, supplemented or modified from time to time (collectively, the “**CLSB Agreement**”);
- c. understand that if you or any other person in your Organization uses the CLSB Account, it will mean that you have read the CLSB Agreement, and agree to and accept all of its terms, even if you have not signed the CLSB Agreement;
- d. understand that your online consent captured herein replaces your signature and confirms your understanding of, and agreement with, the CLSB Agreement; and
- e. understand and agree that if, for any reason, the Organization’s enrollment for the CEBA Account is terminated by either the Government of Canada, RBC or the Organization before November 30, 2021, the CLSB Account will be closed and:
  - i. if the Organization is a sole proprietorship, you as Owner will be liable;
  - ii. if the Organization is a partnership, each Owner of the Organization will be jointly and severally (in Quebec, solidarily) liable, with the Organization; or
  - iii. for any other form of Organization, the Organization will be liable;

for all amounts drawn from the CLSB Account, up until the closure of the CLSB Account, no matter how these amounts are incurred or who has incurred them, and everything else agreed to with us in the CLSB Agreement.

## III. **NON-REVOLVING TERM LOAN**

You understand that:

- a. the CLSB Account will cease revolving on November 30, 2021 and no further advances may be made under the CLSB Account after November 30, 2021;

- b. on December 1, 2021, the outstanding balance of the CLSB Account as at November 30, 2021 will automatically convert to a non-revolving term loan ("**Non-Revolving Term Loan**");
- c. as of December 1, 2021, the Non-Revolving Term Loan shall automatically be governed by the terms and conditions set out in *Part 2- Non-Revolving Term Loan Provisions* that follow these Terms and Conditions, as may be amended, replaced, supplemented or modified from time to time (collectively, the "**Non-Revolving Term Loan Agreement**") and you agree to comply with the Non-Revolving Term Loan Agreement from and after December 1, 2021;
- d. if you or any other person in your Organization uses the CLSB Account, it will mean that you have read the Non-Revolving Term Loan Agreement, and agree to and accept all of its terms, even if you have not signed the Non-Revolving Term Loan Agreement; and
- e. your online consent captured herein replaces your signature and confirms your understanding of, and agreement with, the Non-Revolving Term Loan Agreement.

#### **IV. BUSINESS LOAN INSURANCE PROGRAM**

You understand that the Business Loan Insurance Program (BLIP) is an optional group creditor insurance program, underwritten by Sun Life Assurance Company of Canada, and is offered to Organizations and provides coverage on eligible owner(s)/partner(s)/management of the Organizations for obligations hereunder. For more information or to apply for BLIP, please contact 1-800-769-2523.

#### **V. ELECTRONIC SIGNATURES**

Since you have enrolled for the CEBA through electronic means, each of the Organization and Owner(s):

- a. agree that these Terms and Conditions and any related documents may be accepted in electronic form and are binding as if they were signed using a pen on paper;
- b. will not contest the validity or enforceability of these Terms and Conditions and any related documents because they were accepted or signed in electronic form;
- c. acknowledge that you have reviewed any applicable on-screen terms, conditions or disclaimers, and agree that the on-screen terms, conditions and disclaimers are binding and form part of these Terms and Conditions; and
- d. agree that a copy of these Terms and Conditions and any related documents accepted in electronic form, including on-screen terms, conditions and disclaimers, shall be admissible as evidence of its content and its execution in the same manner as an original document, and expressly waive any right to object to its introduction in evidence, including any right to object based on the best evidence rule.

#### **VI. PROTECTING YOUR PRIVACY**

##### **Collection, Use and Disclosure of Information:**

This Section describes how we collect, use and disclose your information in connection with this Enrollment Form and the CEBA.

In this Section: (i) “**Customer**” means the Organization and the Owner(s); (ii) “**Representatives**” means directors, officers, employees, signing authorities, agents, contractors, subcontractors, service providers, consultants, internal or external auditors, legal or other professional advisors, or any other person acting on a party’s behalf, (iii) “**CEBA**” means and includes the CLSB Account and the Non-Revolver Term Loan, and (iv) “**OPS**” means other products or services provided by Royal Bank or any other person, other than the CEBA.

#### **a. Collecting Information**

We may collect and confirm financial and other information about the Customer during the course of our relationship with the Customer, including information:

- i. establishing the Customer’s existence, identity (for example, name, address, phone number, date of birth, etc.) and background;
- ii. related to transactions arising from the Customer’s relationship with and through us, and from other financial institutions;
- iii. provided on any enrollment form for the CEBA or application for OPS;
- iv. for the provision of the CEBA or OPS ; and
- v. about the Customer’s financial behaviour, including payment history and credit worthiness.

We may obtain this information from any source necessary for the provision of the CEBA or OPS, including from: (i) the Customer; (ii) service arrangements made with or through us; (iii) credit reporting agencies; (iv) other financial institutions; (v) registries; and (vi) references provided to us.

**The Customer acknowledges receipt of notice that from time to time reports about the Customer may be obtained by us from credit reporting agencies.**

#### **b. Using Information**

All information collected by, and provided to, us may be used and disclosed from time to time for the following purposes:

- i. to verify the Customer’s identity and investigate the Customer’s background;
- ii. to open and operate the CEBA or provide OPS;
- iii. to understand the Customer’s financial situation;
- iv. to determine, and make decisions about, the eligibility of the Customer or the Customer’s affiliates for the CEBA or OPS;
- v. to help us better understand the current and future needs of our clients;
- vi. to communicate to the Customer any benefit, feature or other information about the CEBA or OPS;
- vii. to help us better manage our business and our relationship with the Customer;
- viii. to operate the payment card network;
- ix. to maintain the accuracy and integrity of information held by a credit reporting agency; and
- x. as required or permitted by law.

For these purposes, we may (xi) share the information with other persons, including our Representatives, our third party service providers, regulatory authorities, the Government of Canada, any agent of the Government of Canada, including Canada Revenue Agency and Export Development Corporation and any persons that the

Customer requests; (xii) share the information with other financial institutions and persons with whom the Customer has financial or other business dealings; and (xiii) give credit, financial and other related information to credit reporting agencies who may share it with other persons. In the event information is used or shared in a jurisdiction outside of Canada, the information will be subject to, and may be disclosed in accordance with, the laws of such jurisdiction.

We may also use the information and share it with our affiliates to: (xiv) manage our risks and operations and those of our affiliates; (xv) comply with valid requests for information from regulatory authorities or other entities who have a right to issue such requests; and (xvi) let our affiliates know the Customer's choices under the "**Other Uses**" Section below for the sole purpose of honouring the Customer's choices.

**If we have the Customer's social insurance number, it may be used for tax related purposes and shared with appropriate government agencies, and may also be shared with credit reporting agencies for identification purposes.**

### **c. Other Uses**

All information collected by and provided to us may also be used and disclosed for the following purposes:

- i. promoting the CEBA or OPS that may be of interest;
- ii. where not prohibited by law, referring the Customer to our affiliates and for our affiliates to promote OPS that may be of interest; and
- iii. if the Customer deals with our affiliates, we and our affiliates may, where not prohibited by law, consolidate all of the information we have with information any of our affiliates have about the Customer, in order to manage the business of, and relationships with, us and our affiliates.

The Customer acknowledges that as a result of such sharing, we and our affiliates may advise each other of the CEBA or OPS provided.

For the purposes described in sub-Sections (i) and (ii) above, we and our affiliates may communicate with the Customer through various channels, including mail, telephone, computer or any other electronic channel, using the most recent contact information provided.

The Customer may choose not to have the information shared or used for any of these "Other Uses" by contacting us, and the Customer will not be refused credit or other services just for this reason.

### **d. Online Activity**

Online activity information may also be collected in public and secure websites owned or operated by us or on our behalf, or on the behalf of our affiliates, or in any of our advertisements hosted on another person's websites, using cookies and other tracking technology, and used with other information about the Customer to assess the effectiveness of online promotions, to gather data about website functionality, to understand its interests and needs, to provide a customized online experience, and to communicate to the Customer information about the CEBA or OPS. The Customer may choose not to have this information collected or used for the online personalization purposes described in this Section by contacting us as set out in the "**Contact Us**" Section below.

### **e. Right To Access Your Information**

The Customer may obtain access to its personal information with us at any time, including to review its content and accuracy and have it amended as appropriate, except to the extent this access may be restricted as

permitted or required by law. To request access to personal information, or to request the Customer's information not be used as set out in sub-Section (c) or (d) above, the Customer may contact the Customer's main branch or call us toll free at **1-800 ROYAL® 1-1 (1-800-769-2511)**. More information about our privacy policies may be obtained by asking for a copy of the "**Financial fraud prevention and privacy protection**" brochure, calling the toll free number shown above, or visiting our website at [www.rbc.com/privacysecurity/ca/](http://www.rbc.com/privacysecurity/ca/).

## **VII. CONTACT**

If you have any questions, you may contact us at 1-800-769-2520. We may contact you using the information we have on you.

**Canada Emergency Business Account funded by the Government of Canada**

**Important Fees and Interest Rate Information for the  
RBC® CreditLine For Small Business Account (“CLSB Account”)**

**Applicable until November 30, 2021**

<b>Annual Fee</b>	<b>\$0</b>
<b>Annual Interest Rate</b>	<b>0%</b>
<b>Foreign currency transactions</b>	Transactions in a foreign currency are converted to Canadian dollars no later than the date we post the transaction to your account at an exchange rate that is <b>2.5%</b> over a benchmark rate Royal Bank of Canada pays on the date of conversion.
<b>Other Fees:</b>	<p><b><u>Cash Advance Fee:</u></b> There is no fee for a (i) Cash Advance, or (ii) cash withdrawal obtained from one of our ATMs in Canada.</p> <p><b><u>Dishonoured Payment Fee:</u></b> <b>\$45</b> for a payment to the CLSB Account that is returned or refused for any reason.</p> <p><b><u>Additional copies:</u></b> <b>\$5</b> for an additional copy of a CLSB Account statement. <b>\$1.50</b> for each CLSB Account statement update at an ATM or branch. <b>\$2</b> for a transaction receipt that does not relate to the current CLSB Account statement.</p>



**Canada Emergency Business Account funded by the Government of Canada**

**PART 1: RBC® CreditLine For Small Business™ Account Agreement**

*This RBC CreditLine For Small Business Account Agreement (“**Agreement**”) applies to the first phase of the measures announced by the Government of Canada to help organizations with their most pressing needs, **and is valid until November 30, 2021.***

*The Agreement applies to the \$60,000 CAD line of credit funded by the Government of Canada, which will cease revolving on November 30, 2021. Until November 30, 2021, the \$60,000 CAD line of credit will be funded through the RBC CreditLine for Small Business Account (“**Account**”), which will be easily accessible on the RBC Online Banking for Business secure website. **After November 30, 2021, no further advances may be made on the Account.***

*On December 1, 2021, the outstanding balance of the Account as at November 30, 2021 will automatically convert to a non-revolving term loan (“**Non-Revolving Term Loan**”). Please read Part 2- Non- Revolving Term Loan Provisions, following this Agreement, for complete details.*

This Agreement sets out the terms under which each Owner may use the Account (as such terms are defined below).

**IMPORTANT:** Read this Agreement carefully as it explains the rights and duties applicable to you.

**1. What the Words Mean:**

Here are the definitions of some of the words used in this Agreement. The words are in their singular form, but the definitions also apply to the plural forms of the words.

“**we**”, “**our**” or “**us**” means Royal Bank of Canada and companies under RBC;

“**you**” or “**your**” means the Applicant and each Owner or any other person who is authorized to act and make financial decisions on behalf of the Applicant;

“**Account**” means the RBC CreditLine for Small Business (“**CLSB**”) account;

“**Account Credit Limit**” means the maximum amount of Debt that can remain outstanding and unpaid on an Account;

“**Account Documentation**” means any document relating to an Account we may send to you from time to time including, but not limited to, changes to the Agreement or pricing changes, an insert enclosed with a paper Account Statement or information provided on an Account Statement, legal and regulatory information that we may be required by law to send you or, with your consent, any marketing offer;

“**Account Statement**” means the monthly written statement(s) of the Account;

“**Agreement**” means this agreement;



**“Applicant”** means the business/organization identified in the enrollment form for the Account;

**“ATM”** means an automated teller machine;

**“Cash Advance”** means an advance of cash that is drawn from the Account through any eligible means including, but not limited to, a cash withdrawal from the Account, a money transfer from the Account to another RBC banking account, a bill payment from the Account (that is not a pre-authorized charge that you set up with a merchant), or the purchase of goods or services, if any;

**“Cash Advance Interest Rate”** means the annual interest rate applicable to Cash Advances made on an Account. The Cash Advance Interest Rate is shown on each Account Statement;

**“Debt”** means, on any day, the total amount owing to us under this Agreement. The Debt is made up of all amounts drawn from the Account, including Cash Advances and Fees;

**“Electronic Means”** means any communication method permitted by us from time to time including, but not limited to, computer, tablet, telephone, cell phone, smart phone, Internet, email, personal digital assistant, facsimile or other method of telecommunication or electronic transmission;

**“Fee”** means a fee that applies to the Account. Fees are set out in this Agreement and may also be in any other Account Documentation we may send to you from time to time;

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

**“New Balance”** means the amount indicated as such on an Account Statement. The New Balance is made up of all Debt incurred up to the Statement Date;

**“Owner”** means any individual who owns a business as a sole proprietor, or has invested in a business/organization as a partner, shareholder, member, limited partner or beneficial owner;

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

**“Signing Authority”** means any individual (who may or may not be an Owner) designated, in the way we require the designation to be made, as being authorized to act and make financial decisions on behalf of the Applicant and the Owners; and

**“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. You agree to all of the terms and conditions set out in this Agreement and the terms and conditions in any amended or replacement agreement relating to the Account. You must give a copy of this Agreement, including any amendments to this Agreement, to each Owner.

As soon as the Account is being used, it will mean that each Owner has received and read this Agreement and agrees to and accepts all of its terms.

You confirm that all information provided to us regarding the Applicant's ownership, control and structure is true, complete and accurate in all respects.

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

The Section and Sub-Section headings in this Agreement are for ease of reference only. They do not form part of this Agreement.

### **3. Account Opening:**

At your request and subject to our approval, we will open an Account.

### **4. Account Use:**

The Account may only be used by you.

You must not use the Account for any illegal, improper or unlawful purpose.

We may refuse to authorize certain types of transactions, as we decide.

You must not make any Cash Advance on the Account after November 30, 2021.

If a Cash Advance is made on, or anything is charged to, the Account after November 30, 2021 or this Agreement is terminated, you are still responsible for and must pay the Debt.

### **5. Account Credit Limit:**

The Account Credit Limit has been set at \$60,000. We will not allow the Debt to exceed the Account Credit Limit.

### **6. Revocation or Suspension of Use:**

The Applicant may request us to close the Account at any time, by giving us a notice. Except as otherwise set out in this Agreement, you will be liable to us for all Debt resulting from the use of the Account from the time we receive the notice until the Account gets closed.

We may revoke or suspend your right to use the Account at any time without notice.

### **7. Liability for Debt:**

Except as otherwise set out in this Agreement, you understand and agree that if, for any reason, the Account gets closed before November 30, 2021, the following will apply:

- i. if the Applicant is a sole proprietorship, you will be liable;
- ii. if the Applicant is a partnership, each Owner will be jointly and severally (in Quebec, solidarily) liable, with the Applicant; or
- iii. for any other form of organization, the Applicant will be liable;

for all Debt on the Account, no matter how it is incurred or who has incurred it, and everything else agreed to

with us in this Agreement.

For sole proprietorships and partnerships, an Owner will continue to be liable for the Debt as long as that person continues to be an Owner. If there is any change to the ownership or structure of the Applicant including, but not limited to, if an Owner ceases to be an owner, it is your responsibility to notify us.

We may apply any money the Applicant or an Owner (if applicable) has on deposit with us or any of our affiliates against any Debt you owe us. We can apply the money on deposit against any Debt without notice to you or any of you.

## **8. Making Payments:**

Until November 30, 2021, you are not required to make any payment on the Account.

However, payments can be made on the Account at any time.

Payments can be made by mail, at one of our branches, at an ATM that processes such payments, through our telephone, mobile or online banking service or at certain other financial institutions that accept such payments, by registering the Account as a "Bill Payment" for this purpose.

Payments sent to us by mail or made through another financial institution's branch, ATM or online banking service may take several days to reach us. A payment is not credited to the Account and does not automatically adjust the available Account Credit Limit until we have processed the payment. It may take several days to adjust the available Account Credit Limit depending on how payment is made. To ensure that a payment is credited to an Account and automatically adjusts the available Account Credit Limit on the same business day, a payment must be made prior to 6:00pm local time on that business day at one of our branches or our ATMs in Canada or through our telephone, mobile or online banking service.

You are not permitted to make a payment exceeding the Account Credit Limit unless the Debt at the time of payment is more than the Account Credit Limit. If you do make a payment of more than the Account Credit Limit, interest will not be paid on the positive balance. Any positive balance is not considered a deposit account for the purpose of insurance given by Canadian Deposit Insurance Corporation.

If any payment made by you in respect of the Account is not honoured, or if we must return it to you because it cannot be processed, a "Dishonoured Payment Fee" will be charged and Account privileges may be revoked or suspended.

## **9. Interest Rate and Annual Fee:**

Until December 31, 2022, the Cash Advance Interest Rate on the Account has been set to 0%.

There is no annual fee applicable to the Account.

## **10. Other Fees:**

### **Cash Advance Fee:**

There is no fee for a Cash Advance or for a cash withdrawal obtained from one of our ATMs in Canada.

**Dishonoured Payment Fee:**

If a payment is returned or refused for any reason, a \$45.00 fee will be charged to the Account on the date the payment reversal is posted. This fee is in addition to any fee charged by your financial institution for insufficient funds in the Account.

**Additional Account Statement Copy:**

For an additional copy of an Account Statement, a \$5.00 fee will be charged. For each Account Statement update obtained from one of our branches in Canada or at an ATM that provides Account Statement updates, a \$1.50 fee will be charged.

**Transaction Receipt Copy Fee:**

For a copy of any transaction receipt that relates to a transaction on the current Account Statement, no fee will be charged. Otherwise, a \$2.00 fee for each copy will be charged each time the situation occurs.

When applicable, you must pay all Fees. Fees are charged within three (3) business days from when the transaction is posted. Fees may change, and if they do, we will tell you in advance.

**11. Currency Conversion:**

The exchange rate shown on your Account Statement, to six decimal places, is calculated by dividing the converted Canadian dollar (CAD) amount, rounded to the nearest cent, by the transaction currency amount. It may differ from the original benchmark rate because of this rounding. The CAD amount charged to your Account is 2.5% over the benchmark rate. Some foreign currency transactions are converted directly to CAD, while others may be converted first to U.S. dollars, then to CAD. In either case, the benchmark rate will be the actual exchange rate applied at the time of the conversion, and is generally set daily. The original benchmark rate at the time a transaction was converted may be obtained at [usa.visa.com/support/consumer/travelsupport/exchangerate-calculator.html](http://usa.visa.com/support/consumer/travelsupport/exchangerate-calculator.html). If you have any questions, please call us at 1-800 ROYAL<sup>®</sup> 1-2 (1-800-7692512).

**12. Account Statement, Verification and Disputes:**

Each month, we will provide an Account Statement. We will not provide an Account Statement if there has been no activity on the Account in that month and no Debt is owing. We prepare the Account Statement at approximately the same time each month. Unless you have requested that we send you paper Account Statements, you will receive your Account Statements and Account Documentation through Electronic Means. If the date on which we would ordinarily prepare the Account Statement falls on a date for which we do not process statements (for example, weekends and certain holidays), we will prepare the Account Statement on the next statement processing day.

Each month, you will ensure that you promptly examine the Account Statement and each transaction, and fee recorded in it. You will notify us in writing of any errors, omissions, or objections to an Account Statement, or an entry or balance recorded in it, within thirty (30) days from the Statement Date recorded on that Account Statement.

If you do not notify us as required, we are entitled to treat the Account Statement entries and balances as complete, correct and binding on you and we will be released from all claims by you in respect of those Account Statement entries and balances.

We may use scanning and microfilm, electronic or other reproduction of any Cash Advance draft or other document evidencing Debt to establish your liability for that Debt. Upon request, we will provide a microfilm,

electronic or other reproduction within a reasonable time frame of any Cash Advance draft or other document evidencing the Debt. Digital and microfilm records are valid to establish the accuracy of our records.

### **13. Transfer of Rights:**

We may, at any time, sell, transfer or assign any or all of our rights under this Agreement. If we do so, we can share information concerning the Account with prospective purchasers, transferees or assignees. In such case, we will ensure that they are bound to respect your privacy rights in the same way that we are.

### **14. Electronic Communication:**

You acknowledge, consent and agree that we will provide Account Statements, this Agreement and Account Documentation through Electronic Means. Any documents sent through Electronic Means will be considered "in writing" and to have been signed and delivered by us as though it were an original document. We may rely on and consider any document received through Electronic Means from you, the Applicant, an Owner or any Signing Authority, as applicable, or which appears to have been received from either one of you as authorized and binding on you, as though it were an original document. In order to communicate with us by Electronic Means, you agree to comply with certain security protocols that we may establish from time to time and to take all reasonable steps to prevent unauthorized access to any Account Statement and any other documents exchanged through Electronic Means.

### **15. Amending This Agreement:**

We may change the Fees applicable to the Account periodically. Except as otherwise set out in this Agreement, we may also change this Agreement at any time. If we do, you will be given at least thirty (30) days prior notice of each change. We will notify you of any change in any one or more of the following ways: by sending you a notice (written or through Electronic Means), by adding a notice on your Account Statement, by posting a notice in all of our branches, by displaying a notice at our ATMs or by posting notice on our website. If we send you a written notice, we will direct it to the Applicant's address last appearing on our records. If the Account is used or any Debt remains unpaid after the effective date of a change, it will mean that you have accepted the amendment made to the Agreement. The benefits and services we provide to any of you are subject to terms and conditions, which may be amended by us from time to time, without notice to you.

### **16. Limitations on Our Liability:**

We will not be liable to you for damages (including, but not limited to, special, indirect or consequential damages) that may result if, for any reason, you are unable to access the Account.

### **17. Termination:**

- a. We or any one of you may terminate this Agreement at any time by giving notice of termination to the other party(ies) in writing. Your notice must be directed to our address appearing on your last Account Statement.
- b. If any one of the following events occurs, it will mean you are in default. We may terminate this Agreement immediately and without giving you any notice, if:
  - i. any one of you becomes insolvent or bankrupt;
  - ii. someone files a petition in bankruptcy against any one of you;
  - iii. any one of you makes an unauthorized assignment for the benefit of your creditors;

- iv. any one of you or someone else institutes any proceedings for the dissolution, liquidation or winding up of your affairs;
- v. any one of you or someone else institutes any other type of insolvency proceeding involving your assets under the Bankruptcy and Insolvency Act or otherwise;
- vi. the Applicant ceases or gives 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 you commits an act of bankruptcy;
- vii. you fail to pay any Debt or to perform any other obligation as required under this Agreement;
- viii. any one of you makes any statement or representation to us, or to the Government of Canada or any of its agents, including Canada Revenue Agency or Export Development Canada, that is untrue in any material respect when made;
- ix. the Government of Canada or any of its agents determines that you did not satisfy all of the eligibility requirements for the CEBA Account at the time of enrollment; or
- x. there is, in our opinion, a material adverse change in the financial condition of any one of you.

If this Agreement is terminated, you must immediately pay all Debt.

- c. If you fail to comply with your obligations to us under this Agreement, you will be liable to us for:
  - i. all costs and expenses if we use a collection agency to collect or attempt to collect the Debt; and
  - ii. all court costs and reasonable legal fees and expenses (on a solicitor-client basis) we incur through any legal process to recover any Debt.

## **18. Governing Law:**

This Agreement shall be interpreted and governed in accordance with the laws of the province or territory in which the Applicant resides (or the laws of the Province of Ontario if the Applicant resides outside Canada) and the applicable laws of Canada. In the event of a dispute, you agree that the courts in the province or territory where the Applicant resides (or the courts in the Province of Ontario if the Applicant resides outside of Canada) shall be competent to hear such dispute, and you agree to be bound by any judgment of that court.

## **19. Complete Agreement, etc.:**

This Agreement constitutes the complete agreement between you and us with respect to the Account and related matters. No failure on your part to exercise, and no delay by us in exercising, any right under this Agreement will operate as a waiver thereof; nor will any single or partial exercise by us of any right under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, by us under this Agreement.

## **20. No Assignment:**

Neither the Applicant, nor any Owner or Signing Authority has the right to assign or transfer this Agreement or the Account, to anyone else. If a transfer or assignment takes place, this Agreement will be terminated unless we state, in writing, that it is not terminated.

## **21. Your Choice of Language:**

When you applied for the Account, you indicated whether you wanted us to communicate with you in English or French. We will respect your choice in all our correspondence with you. If you would like a copy of

this Agreement in the other language or would otherwise prefer to deal with us in the other language, you will let us know.

**22. In Quebec:**

You have expressly requested that this Agreement and all related documents, including, but not limited to, notices, be drawn up in the English language. *Vous avez expressément demandé que ce contrat et tout document y afférent, y compris tout avis, soient rédigés en langue anglaise.*

**23. How to Contact Us:**

If you need help or have questions about the Account, call us toll-free at 1-800 ROYAL® 1-2 (1-800-769-2512) during regular business hours.

**24. Additional Access to Account:**

We authorize you and any individual holding a business client card or business client identification number (B.C.I.N.), issued by us in the name of the Applicant, to obtain advances from the Account, to transfer and deposit funds to 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.

## **PART 2: Non-Revolving Term Loan Provisions**

*These terms apply to the second phase of the Canada Emergency Business Account, funded by the Government of Canada ("**Program**"), commencing on December 1, 2021 (the "**Term Loan Commencement Date**") and to all Debt outstanding on the Term Loan Commencement Date.*

### **1. Definitions**

All definitions set out in Part 1 shall apply in this Part 2. In addition:

"**Interest Payment Day**" means the last day in each month on which we are open for business in Toronto, Ontario;

"**Interest Rate**" means five per cent (5%) per annum; and

"**Maturity Date**" means December 31, 2025.

### **2. Conversion**

For purposes of greater certainty, as set out on the first page of Part 1, on December 1, 2021, all Debt outstanding under the Account as at November 30, 2021 (herein after referred to as the "**Term Debt**") shall automatically convert to a non-revolving term loan and shall be governed by the terms and conditions set out in this Part 2 and no further advances shall be permitted under the Account under Part 1 of this Agreement.

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### **3. Repayment**

- (a) The Term Debt may be repaid by you at any time prior to the Maturity Date without notice to us or the payment of any penalty.
- (b) From and after January 1, 2023, we will apply any payment received firstly toward interest due and the balance, if any, will be applied to reduce the outstanding Term Debt.



#### 4. Interest

From the Term Loan Commencement Date to December 31, 2022, the Term Debt shall not bear interest.

- (a) From and after January 1, 2023, the Applicant shall pay interest on the Term Debt at the Interest Rate, calculated and payable monthly on each Interest Payment ~~Day-Date~~, both before and after maturity, default and judgment, with interest on overdue interest at the same rate. We shall use any credit balance in the Applicant's business current account in payment of the interest and if there are insufficient funds, the Applicant must fund the Applicant's business current account to make such payment.
- (b) Interest Act Disclosure: The annual rates of interest to which the rates calculated in accordance with this Part 2 ~~of this Agreement~~ are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year and divided by 365.
- (c) Interest. In no event will interest exceed the rate permitted by law.
- (d) Interest Act Disclosure. The annual rates of interest to which the rates calculated in accordance with these Standard Terms are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year and divided by 365.

#### 5. Set Off

You authorize us (but we are not obligated to do so), at any time after an Event of Default and without notice, to apply any credit balance (whether or not then due) to which either of you are then beneficially entitled on any account (in any currency) at any branch or agency of Royal Bank of Canada in or towards satisfaction of the Term Debt.

#### 6. Events of Default

If any of the events set out in Section 17 of the PART 1: RBC® CreditLine For Small Business Account Agreement or any one or more of the following events ("**Events of Default**") has occurred and is continuing:

- (a) the Applicant fails to make payment when due of principal or interest due under this Part 2; or
- (b) the Applicant breaches any other provision of this Part 2; or
- (c) the Applicant is unable to pay debts as such debts become due or is adjudged or declared to be or admits to being bankrupt or insolvent; or
- (d) if the Applicant is an individual, the Applicant dies, then, in such event, we may, by written notice to the Applicant, declare the outstanding balance of the Term Debt to be immediately due and payable and may without notice apply any amounts outstanding to the credit of the Applicant to repayment of the Term Debt and the Applicant's other obligations under this Part 2 Agreement; or
- (e) any one of you makes any statement or representation to us, or to the Government of Canada or any of its agents, including Canada Revenue Agency or Export Development Canada, that is untrue in any material

respect when made; or

- (f) the Government of Canada or any of its agents determines that you did not satisfy all of the eligibility requirements for the CEBA Account at the time of enrollment.

## **7. Costs and Expenses**

The Applicant will pay all expenses and legal costs, (on the basis of a solicitor and its own client, or where applicable including extra-judicial costs) incurred by us in connection with the enforcement of our rights against the Applicant. These costs and expenses may include (but are not limited to) costs of amendments, appraisals, inspections, environmental reviews, registrations, searches, discharges and actions taken in connection with the preservation of our rights under this Part 2.

## **8. Proof of Term Debt**

We will keep records showing the Term Debt, together with all accrued interest, and the amounts the Applicant has repaid to us. These records will, in the absence of manifest error, constitute conclusive evidence of the Term Debt the Applicant owes us at any time. We may use a microfilm, electronic or other reproduction of any transaction or other document evidencing the Term Debt to establish the Applicant's liability for that Term Debt.

## **9. Whole Agreement**

These provisions are separate and in addition to any other agreements which exist or may exist between the Applicant and us relating to any other loans or facilities that the Applicant has with us.

## **10. Severability**

The invalidity or unenforceability of any of these provisions shall not affect the validity or enforceability of any other provision and such invalid provision shall be deemed to be severable.

## **11. Governing Law and Submission to Jurisdiction**

These provisions are made in and governed by the laws of the Province where the Applicant resides and the laws applicable therein. You irrevocably submit to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

## **12. Electronic Documents and Transmission**

We are entitled to rely on any agreement, document or instrument in any digital form provided to us by you as though it were a document drawn up and executed in paper form. We are further entitled to assume that any communication from you received by electronic transmission, including but not limited to e-mail, Royal Bank of Canada website or fax, is a reliable communication from you.

### **13. Electronic Imaging**

You agree that, at any time and where necessary, we may convert paper records of these provisions and all other documentation delivered to us (each, a “**Paper Record**”) into electronic images (each, an “**Electronic Image**”) as part of our normal business practices, and that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on you and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

### **14. Language**

You and we have expressly requested that these provisions and all related documents, including notices, be drawn up in the English language. *Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.*

### **Part 3 : Early Payment Credit Terms**

These terms apply to all Debt, notwithstanding any contrary term set out above in Part 1 or Part 2.

#### **1. Early Payment Credit**

- (a) You can qualify for loan forgiveness based on the highest amount drawn on your Account at any time between the date your Account was opened and November 30, 2021 (the “Highest Amount Drawn”).
- (b) In order to qualify for loan forgiveness you must repay all of your Debt (save and except for the Early Payment Credit), on or before December 31, 2022;
- (c) Loan forgiveness will be granted at the rate of 33% of the Highest Amount Drawn (which will be \$60,000) repaid by you ("Early Payment Credit");
- (d) In the event that you have not repaid your Debt (save and except for the Early Payment Credit) on or before December 31, 2022, the Early Payment Credit will not apply. Provided there has been no Event of Default prior to the Maturity Date, all of the Term Debt and all accrued but unpaid interest thereon shall continue to be payable by you on the Maturity Date.

#### **2. Acknowledgement and Direction**

YOU ACKNOWLEDGE AND CONFIRM THAT YOU UNDERSTAND THAT THE EARLY PAYMENT CREDIT IS BASED ON THE HIGHEST AMOUNT DRAWN ON YOUR ACCOUNT AND THIS AUTHORIZATION AND DIRECTION IS MADE TO MAXIMIZE THE AMOUNT OF EARLY PAYMENT CREDIT WHICH YOU MAY RECEIVE.

You hereby irrevocably authorize and direct us to, at the earliest available date, transfer from your CLSB Account to the business banking account selected by you that amount which will increase the outstanding balance to the Account Credit Limit.

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