



# Standard Trade Terms

Royal Bank of Canada

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## STANDARD TRADE TERMS (THESE “TERMS”)

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### 1. APPLICATION

1.1 These Terms shall apply to any Trade Service which RBC may agree to make available or procure at the request of the Customer and shall include any relevant Country Conditions.

1.2 These Terms shall, where applicable, be subject to other terms and conditions in relation to services provided by RBC to the Customer (including any banking service or account operating agreement) from time to time. In relation to any Trade Service, where any conflict arises between these Terms and any other applicable terms and conditions, the terms and conditions shall apply in the following order of priority:

- (a) the Application;
- (b) the Facility Agreement (if any) and/or any applicable Security Agreement;
- (c) the Country Conditions (if any);
- (d) these Terms; and
- (e) such other terms.

1.3 RBC does not offer any advice to the Customer in relation to any Trade Service. Whilst RBC may provide information or express opinions from time to time, such information or opinions are not offered as advice. Before applying for, or accepting, any Trade Service, the Customer shall make such enquiries and assessments as the Customer considers appropriate and the Customer should place no reliance on RBC to give advice or make recommendations. If the Customer is in doubt of any Trade Service, the Customer should seek independent professional advice.

1.4 Each Trade Service is separate and independent from the Trade Transaction to which such Trade Service relates and RBC is in no way concerned with, subject to, or bound by, the terms of such Trade Transaction, even if a reference is included in any document relating to that Trade Service.

1.5 RBC may name, instruct or procure any correspondent bank (including any RBC Group member) to be the issuing, advising, nominated or confirming bank in respect of any Trade Service (and may restrict such correspondent bank to an RBC Group member or a correspondent bank acceptable to RBC) and is authorised to issue a counter-guarantee or counter-SBLC in such form and content as determined by RBC in favour of the correspondent bank. RBC may pay to, or receive from any correspondent bank, charges, commissions, fees or other payments.

1.6 Nothing in these Terms shall oblige RBC to enter into or provide any Trade Service at any time.

## **2. ICC RULES**

2.1 Unless the Customer otherwise requests (and RBC agrees with such request):

- (a) all Documentary Credits issued by RBC will be issued subject to the Uniform Customs and Practice for Documentary Credits, 2007 Revision, ICC Publication No. 600 (UCP600) and, if required by RBC, the Uniform Customs and Practice for Documentary Credits (UCP600) Supplement for Electronic Presentation (eUCP);
- (b) all SBLCs issued by RBC will be issued subject to the International Standby Practices 1998, ICC Publication No. 590 (ISP98);
- (c) all bonds and guarantees issued by RBC will be issued subject to the Uniform Rules for Demand Guarantees, ICC Publication No.758 (URDG 758); and
- (d) all Collections will be undertaken subject to the Uniform Rules for Collections 1995, ICC Publication No. 522 (URC 522) and, if required by RBC, the Uniform Rules for Collections (URC 522) Supplement for Electronic Presentation (eURC),

in each case, as may be revised from time to time (together the ICC Rules), and the rights and obligations of the Customer will be subject to the applicable ICC Rules in addition to these Terms.

2.2 If there is any conflict between any ICC Rule and these Terms, these Terms shall prevail.

## **3. DOCUMENTARY CREDITS**

3.1 The terms in this Clause 3 apply to any Documentary Credits.

3.2 The Customer:

- (a) undertakes to examine the customer copy of each Documentary Credit issued by RBC in order to check its consistency with the relevant Application; and
- (b) agrees to give immediate notice to RBC of any objection to its contents.

### **Imports**

3.3 RBC is authorised to honour and pay any Claim made under a Documentary Credit which appears on its face to comply with its terms and/or any Documents drawn (or purporting to be drawn) and presented under such Documentary Credit in accordance with its terms, without reference to or further authority from the Customer or any other party, and without enquiring whether any Claim has been properly made, and notwithstanding that the validity of any such Claim, or the amount of it, may be in dispute. The Customer accepts any such Claim as conclusive evidence that RBC was liable to honour and pay it, and any payment made, or any steps taken by RBC in good faith under or in connection with it, shall be binding on the Customer.

3.4 The presentation of any Documents under a Documentary Credit shall be deemed to be in compliance with the terms of the Documentary Credit if RBC determines that they appear to be in order and, taken as a whole, conform with the requirements of the Documentary Credit. The Customer waives all claims against RBC for any delay that may result in examining such Documents or any failure to identify any discrepancies that may exist.

3.5 Notwithstanding any contrary instruction from the Customer, RBC may reject any Claim which RBC determines does not comply with the terms of the relevant Documentary Credit. RBC is not obliged to notify the Customer or to seek the Customer's waiver of any discrepancy before refusing the Claim. Where RBC does seek a waiver in respect of any discrepancy, the taking of such action does not oblige RBC to seek a waiver of any discrepancy at any other time.

3.6 If RBC notifies the Customer of a discrepancy with respect to a Claim and the Customer requests RBC and/or its correspondent bank or its agent to:

(a) effect payment under the Documentary Credit, notwithstanding the discrepancy; or

(b) countersign or issue any guarantee or indemnity covering the discrepancy, the Customer confirms that its reimbursement obligations and the indemnity set out in Clause 9 (*REIMBURSEMENT AND INDEMNITY*) shall apply to such Claim and/or any such guarantee or indemnity.

3.7 RBC may at any time amend or insert additional terms and conditions into a Documentary Credit as RBC may consider appropriate, provided that any such amendment or additional terms and conditions shall not increase the Customer Liabilities in relation to such Documentary Credit. RBC may, subject to the beneficiary's consent, cancel the whole or any unused balance of a Documentary Credit.

3.8 Notwithstanding any instruction in an Application, RBC may restrict the availability of any Documentary Credit, or any advising or confirming, to its own offices or to any correspondent bank or agent of its choice and, in such case, RBC may refuse to honour, or make payment for, any Document drawn or purporting to be drawn on any office, bank or other person other than such office, correspondent bank or agent.

3.9 If RBC effects payment under a Documentary Credit prior to the maturity date of such Documentary Credit:

(a) (in the case where the Documentary Credit beneficiary bears interest) the Customer shall be liable to pay to RBC the full amount of the Documentary Credit on the maturity date, even if RBC only paid a discounted amount under the Documentary Credit; and

(b) (in the case where the Customer is required to bear interest under the Documentary Credit pursuant to any other agreement with RBC) the Customer shall, on the maturity date of such Documentary Credit or such earlier date as may

be demanded by RBC, pay to RBC the full amount of the Claim together with interest accruing on such Claim for the period from and including the date of RBC's payment to and including the maturity date, such interest payable in accordance with Clause 15 (FEES, COMMISSION, INTEREST AND CHARGES).

3.10 If the terms of a Documentary Credit (whether expressly or impliedly) permits payment to be effected to the beneficiary prior to receipt of the Documents required to be delivered under such Documentary Credit, the Customer shall, on the maturity date of such Documentary Credit or such earlier date as may be demanded by RBC, pay to RBC the full amount of the Claim (whether or not the Documents subsequently delivered are compliant with the terms of the Documentary Credit) together with interest accruing on such Claim for the period from and including the date of RBC's payment to and including the maturity date, such interest payable in accordance with Clause 15 (*FEES, COMMISSION, INTEREST AND CHARGES*).

3.11 If any Documentary Credit stipulates that certain specific Documents be forwarded by the beneficiary directly to the Customer at or prior to the time the beneficiary makes any Claim, all remaining Documents must be produced to RBC in respect of any Claim under such Documentary Credit. If the Customer uses the Documents forwarded directly to it to obtain possession of the Goods, RBC is authorised to accept all Documents presented under such Documentary Credit and pay or accept upon presentation and pay at maturity all Documents drawn in respect of the Goods, notwithstanding any discrepancy or any other matter or thing that might otherwise have relieved or affected the Customer's or RBC's obligations. The Customer confirms that its reimbursement obligations and the indemnity set out in Clause 9 (*REIMBURSEMENT AND INDEMNITY*) shall apply to any amount paid by RBC in respect of such Documentary Credit.

3.12 If any Documentary Credit stipulates that the Goods be insured under insurance policies/certificates containing "Institute Cargo Clauses" or other industry standard clauses, RBC may accept insurance policies/certificates which contain "American Institute Cargo Clauses" or any other industry standard clauses that RBC determines appropriate.

3.13 RBC will not be bound at any time to release any Documents or Goods to the Customer unless the Customer has fully discharged its Customer Liabilities in respect of the Documentary Credit relating to such Documents or Goods.

3.14 If RBC issues a Documentary Credit back-to-back (a **Back-to-Back Documentary Credit**) to another Documentary Credit (a **Master Documentary Credit**) the Customer:

- (a) acknowledges that its Customer Liabilities in respect of the Back-to-Back Documentary Credit are not dependent or conditional on the performance of the Master Documentary Credit;

(b) unconditionally and irrevocably assigns or transfers absolutely to RBC all of its payment rights in the Master Documentary Credit;

(c) shall not amend or accept any amendment to the Master Documentary Credit without the consent of RBC or take any action which might result in RBC not receiving the full amount under the Master Documentary Credit; and

(d) authorises RBC to use the Documents presented under the Back-to-Back Documentary Credit to make a Claim under the Master Documentary Credit irrespective of any discrepancies or irregularities in the Documents presented.

3.15 RBC is not obliged to notify the Customer of any incompatibility between the terms of a Back-to-Back Documentary Credit and the relevant Master Documentary Credit.

### **Exports**

3.16 If RBC confirms a Documentary Credit or SBLC (whether on a disclosed or undisclosed basis) and payment in full or part is not received by RBC from the relevant issuing bank, the Customer is only required to reimburse RBC for amounts not received if the non-payment was due to a Recourse Event. Such reimbursement by the Customer is payable immediately upon RBC's demand together with any interest payable in accordance with Clause 15 (*FEES, COMMISSION, INTEREST AND CHARGES*) and the Customer shall reimburse RBC for any loss or damage suffered by RBC as a result of the non-payment.

3.17 RBC will not be bound by a confirmation (whether on a disclosed or undisclosed basis) and will not be obliged to negotiate a Documentary Credit or SBLC if it is amended without RBC's consent, the Documents presented do not fully comply with the terms of the Documentary Credit or SBLC, the original Documentary Credit or SBLC is different from the copy of the Documentary Credit or SBLC upon which RBC based its confirmation, the Customer does not comply with any of its obligations under this Clause 3, or if payment in full or part is not received by RBC (or cannot be accepted by RBC) from the relevant issuing bank as a result of a Recourse Event.

3.18 If RBC confirms a Documentary Credit or SBLC on an undisclosed basis, the Customer shall not make a presentation in respect of the Documentary Credit or SBLC to any person other than RBC and shall promptly provide to RBC the original Documentary Credit or SBLC, any operative documents and any amendments issued by the relevant issuing bank.

3.19 If RBC confirms a Documentary Credit or SBLC (whether on a disclosed or undisclosed basis), the Customer:

(a) unconditionally and irrevocably assigns or transfers absolutely to RBC all of its payment rights in such Documentary Credit or SBLC; and

(b) shall not take any action which might result in RBC not receiving the full amount under the Documentary Credit or SBLC.



## 4. INSTRUMENTS

4.1 The terms in this Clause 4 apply to any SBLC, demand guarantee (including an avalisation, co-acceptance or acceptance of a Document), bond, counter-guarantee, counter-SBLC, or similar independent payment obligation (including any extension, renewal or amendment of the same)(each an **Instrument**) issued, confirmed or provided by RBC.

4.2 The Customer:

- (a) undertakes to examine the customer copy of each Instrument issued or entered into by RBC in order to check its consistency with the relevant Application; and
- (b) agrees to give immediate notice to RBC of any objection to its contents.

4.3 RBC is authorised to accept, pay or honour any Claim made under any Instrument which appears on its face to comply with its terms, without reference to or further authority from the Customer or any other party, and without enquiring whether any such Claim on RBC has been properly made, notwithstanding that the validity of any such Claim, or the amount of it, may be in dispute. The Customer accepts any such Claim as conclusive evidence that RBC was liable to pay or comply with it, and any payment made, or any steps taken by RBC in good faith under or in connection with it, shall be binding upon the Customer.

4.4 The presentation of any documents under an Instrument shall be deemed to be in compliance with the terms of the Instrument if RBC determines that they appear on their face to be in order and, taken as a whole, conform with the requirements of the Instrument. The Customer waives all claims against RBC for any delay that may result in examining such documents or any failure to identify any discrepancies that may exist.

4.5 Notwithstanding any contrary instruction from the Customer, RBC is entitled to reject any Claim which RBC determines does not comply with the terms of the relevant Instrument. RBC is not obliged to notify the Customer or to seek the Customer's waiver of any discrepancy before refusing the Claim. Where RBC does seek a waiver in respect of any discrepancy, the taking of such action does not oblige RBC to seek a waiver of discrepancy at any other time.

4.6 If RBC notifies the Customer of a discrepancy with respect to a Claim and the Customer requests RBC and/or its correspondent bank or its agent to:

- (a) effect payment under the Instrument, notwithstanding the discrepancy; or
- (b) countersign or issue any guarantee or indemnity covering the discrepancy, the Customer confirms that its reimbursement obligations and the indemnity set out in Clause 9 (*REIMBURSEMENT AND INDEMNITY*) shall apply to such Claim and/or any such guarantee or indemnity.

4.7 RBC may at any time amend or insert additional terms and conditions into an Instrument as RBC may consider appropriate, provided that any such amendment or additional terms and conditions shall not increase the Customer Liabilities in relation to such Instrument. RBC may, subject to the beneficiary's consent, cancel the whole or any unused balance of an Instrument.

4.8 Notwithstanding any instruction in an Application, RBC may restrict the availability of any SBLC, or any advising or confirming, to its own offices or to any correspondent bank or agent of its choice and, in such case, RBC may refuse to honour, or make payment for, any Document drawn or purporting to be drawn on any office, bank or other person other than such office, correspondent bank or agent.

4.9 If the terms of an SBLC (whether expressly or impliedly) permits payment to be effected to the beneficiary prior to receipt of the documents required to be delivered under such SBLC, the Customer shall, on the maturity date of such SBLC or such earlier date as may be demanded by RBC, pay to RBC the full amount of the Claim (whether or not the documents subsequently delivered are compliant with the terms of the SBLC) together with interest accruing on such Claim for the period from and including the date of RBC's payment to and including the maturity date, such interest payable in accordance with Clause 15 (*FEES, COMMISSION, INTEREST AND CHARGES*).

4.10 Notwithstanding the foregoing, if the Customer has requested RBC to issue or arrange for the issuance of an Instrument by a correspondent bank for which a counter-guarantee or counter-SBLC must be issued by RBC, RBC may include such terms in the counter-guarantee or counter-SBLC that RBC considers are required to support the issuance of such Instrument. Without limitation, the validity period and Claim period (if applicable) of the counter-guarantee or counter-SBLC shall be longer than the validity period and Claim period (if applicable) of the Instrument and other terms may be added to reflect the laws under which the Instrument is governed.

4.11 If any Instrument contemplates renewal or extension and the Customer does not advise RBC at least 5 Business Days prior to the time required for RBC to provide notice of cancellation as required by the Instrument, RBC may renew or extend for an additional year or such other term as RBC may so select. RBC shall however be under no obligation to issue, extend or renew any Instrument and may at any time:

- (a) cancel or revoke any Instrument without prior notice to or authorisation from the Customer if such Instrument or the beneficiary of such Instrument permits cancellation or revocation; or
- (b) pay any Instrument without prior notice to or authorisation from the Customer if the Instrument or any relevant law permits or requires payment to be made if such Instrument is cancelled, withdrawn, not extended or not renewed.

4.12 Any cancellation, payment or revocation by RBC of any Instrument at any time shall be without prejudice to the rights and obligations of RBC and the Customer under these Terms.

4.13 Unless an Instrument expressly provides that the original Instrument must be presented to RBC to support a Claim, RBC may pay and/or comply with any Claim, whether or not the original of the Instrument is presented to RBC.

4.14 Notwithstanding that the Customer may claim that an Instrument has been reduced, cancelled or terminated, RBC may determine that, due to the governing law of the Instrument, it has not been reduced, cancelled or terminated, or RBC may determine that it is necessary to obtain or require the relevant beneficiary's confirmation of the reduction, release or discharge of RBC's and/or any correspondent bank's liabilities under such Instrument. Subject to such determination, or until such confirmation is received by RBC, such Instrument shall not be treated or deemed as reduced, cancelled or terminated.

## **5. COLLECTIONS**

5.1 The terms in this Clause 5 apply to any Collection transaction.

5.2 If RBC is requested by the Customer to handle a Collection as the remitting bank, RBC shall be under no obligation to make any payment to the Customer in respect of the Collection until RBC has received full payment from the collecting or presenting bank.

5.3 RBC is not obliged to check the Documents before sending them to the collecting or presenting bank.

5.4 RBC is not obliged to check the Documents that it receives from a remitting bank.

## **6. FINANCE**

6.1 The terms in this Clause 6 apply where RBC Finances any Document or Documentary Credit.

6.2 Upon RBC Financing a Document or Documentary Credit, the Customer unconditionally and irrevocably:

(a) transfers ownership of the Document or Documentary Credit to RBC and undertakes to endorse the relevant Document in favour of RBC (if not already endorsed in favour of RBC as a condition to such Finance) and deliver the original endorsed Document to RBC;

(b) assigns or transfers absolutely to RBC all of its rights to receive the proceeds of such Documentary Credit or Document; and

(c) assigns or transfers absolutely to RBC all of its rights, title and interest in the associated underlying receivable (and related rights and proceeds) (if any) arising from the underlying Trade Transaction,

and where the amount of the Finance was calculated by applying an advance rate to the face value of the Document or Documentary Credit, upon receipt by RBC of any proceeds of that Document or Documentary Credit in excess of the amount of the Finance, RBC shall pay those proceeds to the Customer (after deducting any outstanding Customer Liabilities).

6.3 If RBC has Financed a Document or Documentary Credit and payment in full or part is not received by RBC for any reason (or cannot, for any reason whatsoever, be accepted by RBC) from the relevant issuing bank, confirming bank, collecting bank, presenting bank, drawee or obligor (as applicable), then unless otherwise agreed in writing by RBC:

- (a) such Trade Service is provided with full recourse against the Customer; and
- (b) the Customer is required to reimburse RBC for amounts not received.

Such reimbursement is payable immediately upon RBC's demand together with any interest payable in accordance with Clause 15 (*FEES, COMMISSION, INTEREST AND CHARGES*) and the Customer shall reimburse RBC for any loss or damage suffered by RBC as a result of the non-payment.

6.4 If RBC has agreed to Finance a Document or Documentary Credit on a nonrecourse basis and payment in full or part is not received by RBC (or cannot be accepted by RBC) from the relevant issuing bank, confirming bank, collecting bank, presenting bank, drawee or obligor (as applicable), the Customer is only required to reimburse RBC for amounts not received if the non-payment was due to a Recourse Event. Such reimbursement is payable immediately upon RBC's demand together with any interest payable in accordance with Clause 15 (*FEES, COMMISSION, INTEREST AND CHARGES*) and the Customer shall reimburse RBC for any loss or damage suffered by RBC as a result of the non-payment.

6.5 Where RBC has Financed a Document or Documentary Credit, RBC may at its discretion:

- (a) take conditional acceptances and/or acceptances for honour and/or to extend the due date for payment in relation to any such Document or Documentary Credit;
- (b) accept payment from any drawee or acceptor before maturity under rebate or discount;
- (c) accept part payment before maturity and deliver a proportionate part of the Goods to any drawee or acceptor of such Document or Documentary Credit or the consignee of the related Goods;
- (d) at the request of any drawee, delay presentation of such Document or Documentary Credit for payment or acceptance without affecting the liability of the Customer to RBC in respect of such Document or Documentary Credit;
- (e) give an indemnity against any loss arising from any discrepancies in order to obtain acceptance or payment of a Document and the Customer confirms that its reimbursement obligations and the indemnity set out in Clause 9 (*REIMBURSEMENT AND INDEMNITY*) shall apply to any such indemnity; and

(f) institute proceedings and take steps for the recovery from the acceptors or endorsers of any such Document or Documentary Credit of any amount due in respect of such Document or Documentary Credit, despite RBC having debited the bank account of the Customer with the amount of such Document or Documentary Credit.

## **7. TRADE FINANCE LOANS**

7.1 The terms in this Clause 7 apply to any Trade Finance Loans which RBC may provide to the Customer from time to time.

7.2 Subject to the terms of any applicable Facility Agreement which may apply, any Trade Finance Loan which RBC provides to the Customer shall be on an uncommitted basis and may terminate or cancel such Trade Finance Loan at any time without providing reasons to the Customer.

7.3 Interest shall accrue on the Trade Finance Loan and shall be payable in accordance with Clause 15 (*FEES, COMMISSION, INTEREST AND CHARGES*).

7.4 The Customer shall repay each Trade Finance Loan together with accrued interest and any outstanding fees, commissions, charges and expenses incurred by RBC on demand unless RBC agrees otherwise in writing. In any event the Customer shall repay a Trade Finance Loan no later than:

- (a) its maturity date;
- (b) if it is for financing goods or services, the date on which the Customer receives the proceeds of sale of those goods or services (in full or part); and/or
- (c) if it is for the financing of a debt owed to the Customer, the date on which the Customer receives payment of the debt (in full or part), and, upon the request of RBC, the Customer will arrange for all monies payable to the Customer under or in connection with the relevant Trade Transaction to be paid directly to a bank account as specified by RBC to be used towards the repayment of that Trade Finance Loan and any other outstanding Customer Liabilities.

7.5 If a Trade Finance Loan is due for repayment on a day when the Customer is entitled to make a drawing under another Trade Finance Loan, RBC may require:

- (a) the amount of the Trade Finance Loan that is to be repaid to be deducted from the amount of the drawing to be made; and
- (b) only the difference in amounts (if any) to be paid to the Customer.

7.6 Where the Customer requests a Trade Finance Loan and it is to be backed by a Documentary Credit or a confirmed purchase order, pro-forma invoice or such other supporting document specified in the Application, the Customer shall, at or before the time when the Customer submits the Application for that Trade Finance Loan, lodge with RBC the original Documentary Credit (including all amendments (if any)) or a copy of the confirmed purchase order, pro-forma invoice or other such supporting

document referred to in the Application (as applicable), in each case in the format required by RBC (the **Supporting Document**).

7.7 Where RBC provides to the Customer a Trade Finance Loan backed by a Supporting Document, the Customer shall:

- (a) only use the proceeds of that Trade Finance Loan for the purpose of purchasing, producing, processing, manufacturing, storing, insuring and/or preparing for the sale or shipment of the Goods referred to in the Supporting Document;
- (b) not accept any amendment to or cancellation of the Supporting Document without RBC's prior written consent;
- (c) promptly notify RBC if the value of the relevant Goods or the proceeds due under the Supporting Document at any time falls below the amount of the Trade Finance Loan;
- (d) promptly notify RBC if the relevant Goods are not shipped in accordance with the terms of the Supporting Document;
- (e) where the Supporting Document is a Documentary Credit, present all Documents to RBC in strict compliance with the terms and conditions of the Documentary Credit before the expiry of the time limit(s) prescribed in the Documentary Credit; and
- (f) where the Supporting Document is not a Documentary Credit, promptly following shipment of the relevant Goods, provide RBC with the invoice and other documents evidencing that the relevant Goods have been supplied to the relevant buyer in accordance with the terms and conditions of the relevant sales contract.

7.8 Where RBC provides to the Customer a Trade Finance Loan backed by a Documentary Credit and RBC presents the required Documents to the issuing bank for payment or approval and/or RBC finances that Documentary Credit or any Document presented under that Documentary Credit, RBC is authorised to apply the proceeds of the Documentary Credit or the amount of the Finance towards the repayment of that Trade Finance Loan and any other outstanding Customer Liabilities (including accrued interest).

## **8. APPLICATIONS FOR RELEASE OF GOODS, SHIPPING GUARANTEES AND LETTERS OF INDEMNITY**

8.1 The terms in this Clause 8 apply to any Application for the release of Goods, shipping guarantee or letter of indemnity.

8.2 If the Customer requests RBC to sign or countersign any letter of indemnity or shipping guarantee or (as the case may be) sign, endorse or release any air waybill, bill of lading, parcel post receipt or delivery order (collectively, the **Transport Documents**) to facilitate the release of Goods:

- (a) RBC is authorised (but not obliged):

- (i) to honour any Claim (including the acceptance of any Document presented) made under any Documentary Credit, Collection or Document relating to any released Goods and to pay the invoiced amount of the Goods or the value of the Goods (whichever is higher) without examining any of the presented Documents and whether or not aware of any discrepancies; and
  - (ii) to utilise any Transport Documents in RBC's possession for the redemption of any letter of indemnity or shipping guarantee; and
- (b) the Customer shall promptly accept any Document presented for the payment of the relevant Goods (whether discrepant or not) and shall indemnify RBC and each other Indemnified Party in accordance with Clause 9.2 (*REIMBURSEMENT AND INDEMNITY*).

8.3 Goods and/or Documents are released to the Customer for the purpose of taking delivery of and selling the Goods.

8.4 RBC may compromise, settle, pay or resist any Claim arising from or in connection with the issuance of any letter of indemnity or shipping guarantee or RBC signing, endorsing or releasing any Transport Document in such manner as RBC determines appropriate, without releasing the Customer's obligation and liability to reimburse and indemnify RBC hereunder.

8.5 The Customer shall redeem and deliver each letter of indemnity or shipping guarantee (if any) to RBC for cancellation immediately upon receipt of the relevant original Transport Documents.

8.6 The Customer agrees that its Customer Liabilities in respect of a letter of indemnity or shipping guarantee shall continue and shall not be reduced until such letter of indemnity or shipping guarantee has been returned to RBC and RBC has been released from all its liabilities under such letter of indemnity or shipping guarantee.

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## SECTION 2 – REIMBURSEMENT, INDEMNITY AND OTHER RIGHTS

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### 9. REIMBURSEMENT AND INDEMNITY

9.1 The Customer shall upon demand reimburse or pay to RBC all sums paid (in whatever manner) or due to be paid by RBC to any person in respect of any Trade Service and shall upon demand pay to RBC all sums owing at any time by the Customer to RBC including any principal, interest, commissions, fees, Increased Costs, taxes, customs duties and charges in respect of such Trade Services and any costs and expenses incurred by RBC in connection with providing such Trade Services.

9.2 The Customer shall indemnify RBC, each RBC Group member, and their officers, employees and delegates (each, an **Indemnified Party**) on demand against all direct, indirect and consequential liabilities and losses, payments, damages, demands,

claims, expenses and costs (including legal fees and fees, claims, demands and liabilities from a beneficiary or any other person on a full indemnity basis), proceedings, actions and other consequences (collectively, the **Losses**) which any Indemnified Party may suffer, sustain or incur under or in connection with any Trade Service and the enforcement of its rights under these Terms (except where any such Loss is caused by the Indemnified Party's fraud, gross negligence or wilful misconduct). The Customer shall on demand pay to the Indemnified Party the full amount of the Losses.

9.3 The Customer shall, upon request by any Indemnified Party, forthwith appear and defend at the Customer's own cost and expense any action which may be brought against such Indemnified Party in connection with any Trade Service and to provide such assistance as such Indemnified Party may reasonably require.

9.4 RBC may, at any time and without notice, debit from any bank account which the Customer holds with any RBC Group member, or deduct from any proceeds held or received by RBC which are due to the Customer, any Customer Liabilities outstanding at that time (even if such debit or deduction would cause the relevant bank account to become overdrawn).

9.5 The indemnities contained in these Terms shall not be in any way discharged or diminished, nor shall the liability of the Customer be affected by reason of RBC or any person from time to time, varying, realising or releasing any of the same, or granting any time, indulgence or concession or compounding with any person, or concurring in accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment, or determining, varying, reducing or extending the terms of any Trade Service, or by anything done or omitted which, but for this provision, might operate to discharge or otherwise exonerate the Customer.

## **10. CASH COLLATERAL**

10.1 The Customer shall upon demand pay to such bank account as RBC may direct cash cover in an amount sufficient to cover the Customer Liabilities or such lesser amount if agreed by RBC (such amount paid, being **Cash Collateral**).

10.2 If required by RBC, the Customer will grant to RBC, in form and substance satisfactory to RBC, a security interest which is customary in the Governing Jurisdiction in respect of the bank account and such Cash Collateral, and the Customer shall undertake any filing, registration, recording or enrolment of such security interest for it to be perfected and enforceable against the Customer and shall pay any related fees.

10.3 RBC may, at any time without notice or demand, apply (whether by way of set-off, transfer or otherwise) any or all Cash Collateral towards the payment of any Claim, the repayment of any Trade Finance Loan and/or the satisfaction of any or all other Customer Liabilities.

10.4 Unless RBC otherwise agrees:

- (a) Cash Collateral shall not constitute a debt owed by RBC to the Customer or any other person and shall not be repayable or refundable (in whole or in part) by RBC to the Customer or any other person, in each case, until and unless



RBC is satisfied that all the Customer Liabilities have been unconditionally and irrevocably paid and discharged in full; and

- (b) no interest shall accrue on Cash Collateral.

10.5 The Customer shall not create or permit to subsist any mortgage, charge, pledge, lien or other security interest or encumbrance over the Cash Collateral, or any bank account in which such Cash Collateral is held (except for any security in favour of RBC) or assign, transfer or otherwise deal with the same.

## **11. PLEDGE**

11.1 The Customer will pay to RBC on demand all Customer Liabilities.

11.2 The Customer hereby, to the extent permissible, pledges to RBC as a continuing security for the Customer Liabilities all Documents and Goods which are at any time in actual or constructive possession or control of RBC or held on trust for, or to the order of, RBC whether for custody, collection, security, the making of a Claim or any other reason and whether or not in the ordinary course of banking business and whether in the Governing Jurisdiction or elsewhere.

11.3 To the extent required by RBC, the Customer shall do all acts (including entering into such further documents) to create, evidence and give the full effect of a pledge over the Documents and Goods as security for the Customer Liabilities.

11.4 If, in the Governing Jurisdiction a pledge (or its equivalent) is required to be registered, filed or otherwise publicly recorded for it to be enforceable, upon request of RBC the Customer shall take all reasonable action to so register, file and/or record such pledge (including making payment of any related fees).

11.5 Any restriction on the right of consolidating securities shall not apply to the pledge under this Clause 11.

11.6 The risk in any Documents and Goods pledged shall remain with the Customer and neither RBC nor any other RBC Group member shall be responsible for any loss or damage or depreciation in value of any Documents or Goods held by RBC as security.

11.7 If:

- (a) the Customer fails to pay any Customer Liabilities when due or demanded;
- (b) the Customer does not comply with any other provision of these Terms;
- (c) any representation made by the Customer under these Terms is or proves to have been incorrect when made or deemed to have been made;
- (d) the Customer is unable or admits inability to pay its debts as they fall due or the Customer is or is deemed to be insolvent or bankrupt under the laws of its jurisdiction of establishment and/or incorporation (as applicable); or

- (e) the Customer enters into or becomes subject to a reorganisation, a composition or other arrangement with one or more creditors, a winding-up, or any other form of bankruptcy or insolvency process or proceeding,

RBC may enforce its pledge and may, without demand, notice, legal process or any other action with respect to the Customer or any other person, realise, sell, negotiate or otherwise dispose of all or some of the Documents and the Goods at any time and in any way which it deems expedient free from any restrictions and claims and RBC shall not be liable for any loss arising out of such realisation, sale, negotiation or disposal.

11.8 All monies received, recovered or otherwise realised by RBC following the enforcement of the pledge may be credited to a separate interest-bearing suspense account for so long as RBC determines in order to preserve RBC's rights towards discharge of the whole of the Customer Liabilities.

## **12. TRUST RECEIPTS**

12.1 Whilst any Customer Liabilities remain outstanding in respect of any Trade Service provided in relation to any Documents or Goods, if any such Documents or Goods are held by or released to the Customer or to its order, the Customer:

- (a) will hold such Documents and Goods (and the proceeds of sale and/or any insurance) on trust for RBC (or, if a trust is not recognised and enforceable, hold to the order of RBC) exclusively for the purpose agreed between RBC and the Customer from time to time in respect of the Trade Service being provided;
- (b) will keep such sale and/or insurance proceeds, and store such Goods, separate from any other property of the Customer and capable of being identified;
- (c) confirms that such Documents and Goods will continue to be subject to the pledge in Clause 11 (*PLEDGE*) but at the risk of the Customer;
- (d) will, at the request of RBC, execute and deliver to RBC trust receipts in form and substance satisfactory to RBC together with any other documentation RBC may require;
- (e) will comply promptly and fully with any instructions or request which RBC may give to the Customer in relation to such Documents and Goods;
- (f) will, upon receipt, promptly pay to RBC the proceeds of sale and/or insurance of the Goods; and
- (g) acknowledges that RBC may at any time take possession and dispose of the Goods, Documents and/or sale and/or insurance proceeds of the Goods.

## **13. SET-OFF**

13.1 RBC may, at any time and without notice, combine or consolidate all the bank accounts of the Customer held with RBC and/or set-off any Customer Liabilities against any obligation owed by RBC to the Customer (including in respect of any Cash

Collateral, or proceeds received or held by RBC), regardless of the place of payment, booking branch or currency of either obligation.

13.2 To effect any set-off RBC may convert to a currency any amount which is in a different currency at the relevant Exchange Rate.

13.3 If any Customer Liabilities are unliquidated or unascertained, RBC may apply or set off an amount estimated by it in good faith to be the amount of that liability.

#### **14. SUPPLEMENTARY RIGHTS**

14.1 RBC's rights under these Terms are to be in addition to and are not to be in any way prejudiced or affected by any one or more other indemnities, guarantees, securities or other obligations which RBC may now or subsequently hold whether from the Customer or any other person.

14.2 RBC may enforce its rights under these Terms or in respect of any other indemnities, guarantees, securities or other obligations which RBC may now or subsequently hold whether from the Customer or any other person in any order it chooses and the Customer waives any rights it may have which provide otherwise.

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### **SECTION 3 – FEES AND PAYMENTS**

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#### **15. FEES, COMMISSION, INTEREST AND CHARGES**

15.1 Unless otherwise agreed in writing with the Customer:

(a) fees and other charges (other than interest and commission) shall be payable by the Customer to RBC in respect of each Trade Service at the rates, in the amounts, and at the times agreed in the relevant Application, Facility Agreement or Tariff Book or as otherwise in accordance with RBC's standard practices;

(b) interest shall be payable by the Customer to RBC upon demand in respect of any Trade Finance Loan or Finance, shall accrue on the amount of such Trade Finance Loan or Finance for the period from the date RBC provides such Trade Finance Loan or Finance to the date such Trade Finance Loan or Finance is repaid or settled in full, and shall be calculated by reference to the rates agreed in the relevant Application, Facility Agreement or Tariff Book or as otherwise in accordance with RBC's standard practices;

(c) interest shall be payable by the Customer to RBC upon demand in respect of any Claim paid by RBC, shall accrue on the amount of the Claim for the period from the date RBC pays such Claim to the date the Customer Liabilities resulting from such Claim are reimbursed in full, and shall be calculated by reference to the rates agreed in the relevant Application, Facility Agreement or Tariff Book or as otherwise in accordance with RBC's standard practices; and

(d) commission shall be payable by the Customer to RBC upon demand in respect of any Documentary Credit or Instrument and shall be calculated by reference to the face value of such Documentary Credit or Instrument and the rates

agreed in the relevant Application, Facility Agreement or Tariff Book or as otherwise in accordance with RBC's standard practices.

15.2 Any fee, interest or commission accruing in respect of a Trade Service will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days or, in any case where the market practice in the relevant Governing Jurisdiction differs, in accordance with that market practice.

15.3 Any fee, commission, interest or charge payable by the Customer to RBC is non-refundable.

15.4 If the Customer fails to pay any amount payable by it under these Terms on its due date, default interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at the rate agreed in the relevant Application, Facility Agreement or Tariff Book or as otherwise in accordance with RBC's standard practices.

## **16. PAYMENTS**

16.1 Payments by the Customer shall be made to RBC in immediately available, freely transferable, cleared funds and as specified by RBC, without any set-off, counterclaim, withholding or conditions of any kind unless compelled by law.

16.2 All amounts paid or payable to RBC in respect of any Trade Service are expressed on a Tax-exclusive basis. The Customer must pay any relevant Tax (as necessary) on any amount that the Customer is required to pay RBC.

16.3 If any deduction or withholding is required by law (including on account of any Tax), the Customer must:

- (a) increase the sum payable so that, after making the minimum deduction or withholding required, RBC will receive and be entitled to retain a net sum at least equal to the sum that RBC would have received had that deduction or withholding not been made; and
- (b) within 30 days of such payment, forward to RBC the confirmation in writing from the relevant tax authority evidencing receipt by the relevant tax authority of that deduction or withholding.

16.4 Unless RBC agrees otherwise, each payment by the Customer to RBC shall be made in the currency of the relevant Customer Liability for which that payment is being made and the Customer waives any right it may have in any jurisdiction to pay such payment in another currency. If RBC receives a payment from the Customer or any other person in a currency which is not the currency in which that payment was due or if any Cash Collateral needs to be converted into another currency so that RBC may apply it to satisfy any outstanding Customer Liabilities in another currency, RBC shall undertake that conversion using the relevant Exchange Rate (or, if applicable, pursuant to the terms of any hedging agreement that the Customer and RBC may have entered into for these purposes). Where RBC undertakes any currency

conversion permitted by these Terms, the Customer shall indemnify RBC for any cost, loss or liability incurred by RBC in undertaking the conversion.

16.5 If any payment due from the Customer, or any order, judgment or award given or made in relation to any payment due from the Customer, has to be converted into another currency for the purpose of making or filing a claim or proof against the Customer or any other person, or obtaining or enforcing an order, judgment or award, the Customer shall indemnify RBC against any cost, loss or liability arising out of or as a result of the conversion.

16.6 Any notice from, or determination by, RBC of a rate or amount under these Terms, a Trade Service or any document referred to in these Terms shall (unless it contains an obvious error) be conclusive evidence of that rate or amount. In any legal proceedings connected with these Terms and/or a Trade Service, the account entries of RBC are prima facie evidence of the matters to which they relate.

16.7 Any moneys paid to RBC in respect of the Customer Liabilities may be applied in or towards satisfaction of the same or credited to a separate suspense account for so long as RBC determines in order to preserve RBC's rights towards discharge of the whole of the Customer Liabilities.

16.8 Moneys received by RBC shall be applied by it (unless otherwise mandatorily required by law):

- (a) first, in discharging all costs, fees and expenses (including legal fees) owing by the Customer to RBC;
- (b) second, in or towards the discharge of any interest or other amounts (not being principal) owing to RBC; and
- (c) thirdly in or towards the discharge of any principal owing by the Customer to RBC.

16.9 If any moneys paid to RBC in respect of the Customer Liabilities are required to be repaid by virtue of any law relating to insolvency, bankruptcy or liquidation or for any other reason, RBC may enforce these Terms and the relevant Trade Service as if such moneys had not been paid.

16.10 Any sums that would fall due on a day other than a Business Day will be due on the next Business Day. In such event, interest and commission calculations will be adjusted accordingly.

16.11 If any amount to be paid by the Customer to RBC in connection with a Trade Service is calculated by reference to a published benchmark interest rate (such as a central bank reference rate) and that rate is less than zero per cent at the time of calculation, such rate shall be deemed to be zero per cent.

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## **SECTION 4 – REPRESENTATIONS, UNDERTAKINGS AND SANCTIONS**

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## 17. REPRESENTATIONS AND WARRANTIES

17.1 In addition to other representations and warranties made by the Customer to RBC, the Customer represents and warrants to RBC that:

- (a) it is duly established and/or incorporated under the laws of its jurisdiction of establishment and/or incorporation (as applicable), is validly existing and has full power to carry on its business as now being conducted, to own its assets and to enter into and perform its obligations under these Terms, and shall promptly notify RBC of any change to its constitution or existence;
- (b) the obligations expressed to be assumed by it in these Terms and in each Trade Transaction which it may enter into from time to time are legal, valid, binding and enforceable obligations;
- (c) all authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations or registrations required or desirable to enable it lawfully to enter into, exercise its rights and comply with its obligations under these Terms and each Trade Transaction have been obtained or effected and are in full force and effect;
- (d) these Terms and each Trade Transaction which it may from time to time enter into do not and will not conflict with its constitutional documents or any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument;
- (e) each Trade Service requested by or for the Customer relates to a genuine Trade Transaction as described in the documents pertaining to such Trade Transaction and all documents and information (including in any Application) provided by the Customer to RBC in relation to each Trade Service or these Terms is/are complete, accurate, genuine and valid;
- (f) it has not taken any corporate action, or any other steps and no legal proceedings have been commenced for its liquidation, judicial management, receivership, or any similar or analogous proceedings or for the appointment of a receiver and manager, judicial manager, liquidator or similar officer of it or of all or any material part of its assets or revenues;
- (g) any Documents, Goods or proceeds of sale in which RBC has or is purported to have an interest are free from any security interest(s) and encumbrance(s) (other than in favour of RBC) and the Customer is the sole and beneficial owner of any such Documents, Goods or proceeds of sale;
- (h) as at the date RBC provides Finance to the Customer in respect of a Document or Documentary Credit, it is not aware of any dispute (actual, pending or threatened) in respect of that Document or Documentary Credit or the relevant Trade Transaction; and
- (i) as at the date RBC provides Finance to the Customer in respect of a Document or Documentary Credit or provides a Trade Finance Loan to the Customer, it has not received any financing in respect of that Document,

Documentary Credit or the relevant Trade Transaction from any person other than RBC.

17.2 All representations and warranties in these Terms are deemed to be made on each day (a) an Application is made and is being processed, (b) any Trade Service is outstanding and (c) any Customer Liabilities remain outstanding.

17.3 The Customer acknowledges that RBC will rely on any representations and warranties made by the Customer including when RBC assesses whether or not to provide a Trade Service to the Customer.

17.4 The Customer shall promptly notify RBC on becoming aware of any representation or warranty becoming untrue, or the Customer being unable to make any representation or warranty when repeated.

## **18. UNDERTAKINGS**

### **General Undertakings**

18.1 The Customer shall at the request of RBC:

- (a) provide RBC with such information concerning a Trade Transaction (including copies of sale contracts, purchase order and invoices), Documents and Goods and any proposed sale of Goods as RBC may require and promptly notify RBC if any Trade Transaction is cancelled or terminated for any reason or if any material dispute arises in respect of a Trade Transaction;
- (b) provide RBC with such information regarding the financial condition, assets and operations of the Customer and its affiliates as RBC may reasonably require;
- (c) provide RBC with any information required by RBC to satisfy its "*know your customer*" or similar identification procedures;
- (d) keep RBC informed of the whereabouts of the Goods and of any change in the condition, quality or quantity of the Goods;
- (e) co-operate fully with RBC and render to RBC all assistance it requires in the collection and enforcement of any payments under or in connection with any Trade Service whether by legal proceedings or otherwise; and
- (f) promptly do all such acts or execute all such documents at its own cost as RBC may specify:
  - (i) for the purpose of the creation, perfection, protection or maintenance of any interest conferred or intended to be conferred on RBC by, pursuant to or in connection with these Terms (including in respect of any Cash Collateral, Documents, Goods or sale proceeds);
  - (ii) for the exercise of any rights, powers and remedies of RBC provided by, pursuant to or in connection with these Terms or by law; and

- (iii) to facilitate the realisation by RBC of any Documents or Goods in which RBC is, or is intended to be, interested.

### **Trade Service Undertakings**

18.2 The Customer shall, to the extent applicable to a Trade Service and/or where RBC has or is purported to have an interest in the relevant Documentary Credit, Documents, Goods or proceeds of sale referred to:

- (a) ensure that the Documentary Credit, Documents, Goods or proceeds of sale (as applicable) are free from any mortgage, charge, pledge, lien or other security interest, encumbrance or claim except for any trust, pledge or other form of security in favour of RBC or which has been expressly permitted by RBC;
- (b) for so long as the Customer has title to the Goods or if as a condition to the Trade Service the Customer is required to procure the insurance of the Goods:
  - (i) insure the Goods for such value against such insurable risks as is stipulated in the relevant condition or, in the absence of any such condition, as is customary for those Goods;
  - (ii) promptly following (and in any event within ten days of) the date of the Application for the relevant Trade Service, provide to RBC copies of the relevant insurance policies; and
  - (iii) promptly notify RBC of any claims made on the relevant insurance policies and direct the insurer to pay to RBC all insurance proceeds in respect of the Goods;
- (c) if so requested by RBC:
  - (i) promptly arrange for RBC's interest in the Goods to be endorsed on any relevant insurance policy; and
  - (ii) promptly submit claims in respect of the Goods to relevant insurer;
- (d) promptly pay to RBC all insurance proceeds received by it in respect of the Goods and, pending payment, hold such proceeds on trust for RBC (or, if a trust is not recognised and enforceable, hold to the order of RBC);
- (e) promptly endorse all Documents in favour of RBC, deposit all Documents with RBC or to its order and note in its records the interest of RBC in all Documents and the Goods;
- (f) promptly pay all freight, warehouse, dock, transit and other charges, rent and all other costs of and in connection with the Documents and/or Goods;
- (g) not permit the Goods to be processed or altered without the prior written consent of RBC;



- (h) not take any action, which might prejudice the value of the Goods or the effectiveness of any pledge or trust under these Terms;
- (i) promptly inform RBC of any event of which it becomes aware that may adversely affect the liability of a buyer to complete the purchase of the Goods or any change or deterioration in the state or quality or otherwise of the Goods;
- (j) promptly inform RBC if it becomes aware of any theft, fraud, illegal activity, loss, damage or other misuse of or in relation to any Goods or Documents;
- (k) permit RBC (or any delegate) access to any premises at which the Goods are stored or located for the purpose of inspecting, taking possession of, or otherwise protecting its interest in the Goods;
- (l) not attempt to factor, transfer, sell, dispose of or otherwise deal with the Documents, Goods or proceeds of sale (as applicable), Documentary Credit (or any confirmation (whether given on a disclosed or undisclosed basis)), except as agreed between RBC and the Customer from time to time in respect of the Trade Service(s) being provided;
- (m) not present the Documents to any other bank, financial institution or similar type of financing entity or obtain any form of financing and/or borrowing in respect of the same Trade Transaction;
- (n) not agree to any amendment to the Documentary Credit, SBLC or Document without the prior written consent of RBC; and
- (o) procure the prompt release of RBC from any guarantee, indemnity or other commitment that RBC may have provided in respect of the Documents or the Goods, and RBC (or any delegate) is authorised to take such steps and to make any payments, on behalf and at the cost of the Customer, to ship, collect, land, store, insure or inspect the Goods and/or to demand and collect any proceeds of sale.

## 19. COMPLIANCE WITH LAWS AND SANCTIONS

19.1 The Customer represents and warrants that:

- (a) neither the Customer nor any of its subsidiaries, directors, officers, employees, agents, or affiliates is a person or entity that is, or is owned or controlled by any person or entity that is:
  - (i) the subject of any sanctions issued, administered or enforced by the US Department of the Treasury's Office of Foreign Assets Control, the US Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, the Hong Kong Monetary Authority or any other sanction issuing or enforcement body that may be applicable to RBC, the Customer, a Trade Service or a Trade Transaction (the **Sanctions**); or

- (ii) located, organised or resident in a country or territory that is, or whose government is, the subject of Sanctions;
- (b) any required import or export licenses applicable to each Trade Transaction have been obtained and, if the Customer is aware that RBC may require an export license or other authorisation for the provision of the relevant Trade Service for the Customer, the Customer will notify RBC prior to RBC providing the Trade Service; and
- (c) the Customer is compliant in all material respects with foreign and domestic laws and regulations pertaining to each jurisdiction in which it operates and to each Trade Transaction and the subject matter of such Trade Transaction including, if applicable, the shipment and financing of the goods described in such Trade Transaction or the associated documents.

19.2 The Customer acknowledges and agrees that:

- (a) RBC Group and its service providers are required to act in accordance with the laws and regulations of various jurisdictions, including those which relate to Sanctions, export controls and the prevention of money laundering, terrorist financing, bribery, corruption and tax evasion;
- (b) at any time, RBC may require the Customer to immediately provide to RBC information related to any Trade Transaction, including the underlying contract or other documentation;
- (c) RBC may take, and may instruct other RBC Group members to take, to the extent it is legally permitted to do so under the laws of its jurisdiction, any action (a **Compliance Action**) which it considers appropriate to act in accordance with Sanctions or domestic and foreign laws and regulations. Such Compliance Action may include:
  - (i) the interception and investigation of any payment, communication or instruction;
  - (ii) the making of further enquiries as to whether a person or entity is subject to any Sanctions or export control restrictions; and/or (iii) the refusal to:
    - (A) issue, renew, extend, transfer or assign a Trade Service;
    - (B) make payment of any Claim; or
    - (C) process a Trade Service or instruction that does not conform with Sanctions, export controls or domestic and foreign laws or regulations; and
- (d) neither RBC nor any RBC Group member will be liable for any loss, damage, delay, or a failure of RBC to perform its duties under these Terms or a Trade Service:

- (i) arising out of or relating to any Compliance Action taken by RBC, its service providers, or any RBC Group member; and/or
- (ii) being prevented from paying any Claim in respect of a Trade Service or sending or receiving any message or data or taking any other action in connection with any Trade Service because of an applicable law, regulation or ruling of any governmental agency.

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## SECTION 5 – INSTRUCTIONS AND ELECTRONIC PLATFORMS

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### 20. INSTRUCTIONS

20.1 RBC is authorised to accept, act and rely upon, and treat as valid and accurate:

- (a) all communications, demands and instructions (including any Applications) given or purporting to be given by the Customer to RBC (an **Instruction**);
- (b) all communications and any Claims made or purported to be made by any person; and
- (c) any documents provided to RBC, including, in each case, those made or given by way of or through a Platform, email, facsimile, telecopier, telex, cable, telephone or such other electronic means (in each case, an **Electronic Means**) and is under no obligation to enquire as to the authorisation or validity of any such Instruction, communication, Claim or Document.

20.2 The Customer acknowledges and accepts the risk that communications, Instructions, Claims and documents sent to or from RBC by Electronic Means may be intercepted, monitored, amended, corrupted, contain viruses or be otherwise interfered with by third parties and acknowledges and agrees that RBC is not responsible or liable to the Customer or any other person for, and the Customer waives any and all claims in respect of, any Losses arising from the same.

20.3 If the Customer communicates, gives an Instruction, makes a Claim or sends a document by Electronic Means, or instructs RBC to permit a beneficiary or any other person to do the same, the Customer shall indemnify, and hold RBC harmless from and against, any and all Losses that RBC may incur (including in respect of any payment made where the relevant Instruction or Claim was unauthorised).

20.4 Where the Customer has made an Application for any Trade Service to be provided for the benefit of an affiliate of the Customer:

- (a) the Customer agrees (and will procure the concurrent written agreement of its affiliate) that RBC has no obligation to obtain instructions from the affiliate and RBC can deal solely with the Customer on behalf of the affiliate;

(b) the definition of "Trade Transaction" shall be construed to refer to such affiliate rather than the Customer, and the definitions of "Documents" and "Goods" shall be construed accordingly;

(c) references in these Terms to the Customer presenting, handling, disposing, transferring, dealing with or using (however so described) the relevant Documents, Goods or proceeds of sale shall include the affiliate undertaking any such action;

(d) the Customer shall procure that the affiliate complies with all undertakings in these Terms in respect of the relevant Trade Transaction, Documents, Goods and proceeds of sale; and

(e) each representation in these Terms made by the Customer shall be made by the Customer for itself and on behalf of the affiliate or, where it can only be made in respect of the affiliate (due to factual circumstances), by the Customer for and on behalf of the affiliate.

20.5 RBC has no obligation to:

(a) verify the identity or authority of any person communicating, giving an Instruction, making a Claim or providing a document by Electronic Means;

(b) verify the authenticity of any signature(s) (whether electronic or otherwise) on any communication made, Instruction given, Claim made or document provided by Electronic Means; or

(c) seek the Customer's prior approval before acting on any communication made, Instruction given, Claim made or document provided by Electronic Means,

however RBC may, in its absolute discretion, take steps to ascertain the validity, authenticity and origin of any communication, Instruction, Claim or document (including requiring telephone verification of any Instructions) and take any steps that may be mandated by an External Provider and may, where it is unable to ascertain the validity, authority or origin of any communication, Instruction, Claim or document, delay or refuse to act upon any communication, Instruction, Claim or document or suspend or terminate any Trade Service at any time.

## **21. PLATFORMS**

21.1 The Customer acknowledges and agrees that:

(a) RBC may rely on External Providers to provide Platforms so that RBC can perform its obligations under these Terms (or any other applicable terms and conditions) and provide Trade Services;

(b) External Providers are independent from RBC and may independently charge the Customer fees for use of their Platform and those fees are the sole responsibility of the Customer;

(c) RBC's obligations under these Terms and any Trade Service shall be subject to RBC's rights under External Terms and Conditions and the availability of any Platform provided by such External Providers;

- (d) RBC has no obligation to inform the Customer of, or provide the Customer with, any External Terms and Conditions;
- (e) RBC has no control over the electronic processes used by a Platform provided by an External Provider to process, handle and/or send data or messages;
- (f) it shall inform RBC of all External Terms and Conditions applicable to or any charges imposed by any Platform which it uses (or intends to use) in respect of any Trade Service and shall promptly notify RBC of any changes; and
- (g) it shall promptly provide all information concerning any Platform used by the Customer that RBC may reasonably request.

21.2 RBC assumes no liability or responsibility to the Customer or to any other person for any loss or damage that is suffered or incurred as a result of:

- (a) the unavailability of any Platform to the Customer, RBC or any other person for any reason whatsoever; or
- (b) the Customer's use of or connection with any Platform, any External Provider or the services provided by RBC or any External Provider to the Customer involving any Platform.

21.3 The Customer:

- (a) shall comply with all security procedures of RBC and each External Provider and any other reasonable requests RBC or any External Provider may issue to the Customer regarding the security of any Platform, including instructions on steps to remedy any breach of security; and
- (b) acknowledges and agrees that it is the Customer's responsibility to set up, maintain and regularly review all security arrangements concerning access to and use of each Platform and information stored on the Customer's computing and communications systems, and confirms that it has assessed the security arrangements of each Platform and has determined that they are adequate to protect the Customer's interests;
- (c) shall take all reasonable precautions to prevent fraudulent or unauthorised use of or access to each Platform;
- (d) shall ensure that neither the Customer nor its employees do anything which may result in the security of any Platform or the systems or security of RBC being compromised; and
- (e) shall notify RBC, as soon as reasonably possible upon becoming aware, of any actual or attempted unauthorised access to any Platform or any unauthorised transaction or attempt to execute an unauthorised Instruction. This notification must be by telephone but must be followed by written notice within forty-eight hours of the telephone call.

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## SECTION 6 - OTHER

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### 22. LIMITATION ON LIABILITY

22.1 Neither RBC nor any other RBC Group member shall be liable for any loss, damages, payments, demands, claims, expenses or costs suffered or incurred by the Customer (or any of its affiliates) arising from or in connection with these Terms or any Trade Service other than where such loss, damage, payment, demand, claim, expense or cost arises as a direct result of RBC's or such other RBC Group member's gross negligence or wilful misconduct.

22.2 Notwithstanding Clause 22.1, in no circumstance whatsoever will RBC or any RBC Group member be liable to the Customer (or any of its affiliates) for:

- (a) any loss of business, profits or data; or
- (b) indirect, consequential or special loss or damage,

whether or not RBC or any RBC Group member has been advised of the possibility of such loss or damage.

22.3 Without limiting Clauses 22.1 and 22.2, RBC shall not be responsible or liable for, and the Customer waives all claims against RBC in respect of:

- (a) any act, omission, loss or delay relating to forwarding documents or payments to any person or correspondent bank, or any suspense, act, omission, insolvency or bankruptcy of any correspondent bank;
- (b) any delay and/or loss in transit of any messages, letters or documents sent by mail, as an electronic communication, through a Platform or a telecommunication channel, or for any delay, mutilation or other errors arising in the transmission or delivery of any communications by third parties and the Customer acknowledges that, notwithstanding any contrary instruction, RBC may send a document by any method that it considers appropriate;
- (c) any delay in performing or failure to perform any of its obligations under these Terms due to any cause beyond its reasonable control, including, but not limited to, the failure, malfunction or unavailability of telecommunications, data communications and computer systems and services over which RBC has no control, war, hostilities, invasion, civil unrest, strikes, lock-outs or other industrial action or trade disputes (whether involving RBC's employees or any other person) or any law or government order (whether or not having the force of law);
- (d) any failure by RBC to pay a Claim or other RBC's act or failure to act because of any domestic or foreign law, regulation, ruling or interpretation of any domestic or foreign court or governmental agency;
- (e) the form, sufficiency, correctness, genuineness, authority of any person signing or endorsing (including any person making presentations, demands, giving

Instructions (including by Electronic Means) to RBC purportedly on the authority of the Customer or a beneficiary), falsification, or the legal effect of, any documents if such documents on their face reasonably appear to be in order;

(f) the source, accuracy, validity, authenticity, falsification or legal effect of any data, documents or statements made, presented or received from any Platform or any party to a Trade Transaction, any related documents, or the description, quantity, weight, quality, condition, packing, delivery, value or existence of the goods, services or other performance to which such data, documents or statements relates, or for the good faith or acts or omissions, solvency, performance or standing of any party to a Trade Transaction, the consignor, carrier, forwarder, consignee, insurer of the goods, or any other person;

(g) any improper acts of the beneficiary, including breach of contract in respect of a Trade Transaction, in which circumstances the Customer shall assume and undertake all such risks; and

(h) the Customer acting or relying on any advice received from RBC whether or not such advice was requested by the Customer.

22.4 If RBC uses the services of another party, correspondent bank, agent or Platform for the purposes of issuing an Instrument or Documentary Credit, making payment, handling Goods or Documents or for any other purpose to support the services contemplated by these Terms, RBC shall do so for the Customer's account and at the Customer's risk and RBC shall assume no liability or responsibility should any instructions which RBC gives to any such other party not be carried out even if the choice of such other party was RBC's. Additionally, RBC shall not be liable for any act, failure to act, default, suspension, bankruptcy or insolvency of such other party.

22.5 Where RBC performs a review of any Document at the request of the Customer, such review is indicative only and not final or conclusive and RBC shall not be responsible or liable for, and the Customer waives all claims against RBC in respect of, an omission by or failure of RBC to identify any discrepancies during any such review.

22.6 Where RBC agrees to advise a Documentary Credit or any Instrument which is not issued by a bank or present any Document in respect of, or otherwise handle, such Documentary Credit or Instrument, the Customer acknowledges and agrees that:

(a) such Documentary Credit or Instrument may not be an independent third party undertaking and may not guarantee payment by the issuer or applicant;

(b) the applicable ICC Rules may not address, cover or extend to such type of Documentary Credit or Instrument;

(c) RBC may not be able to pursue the issuer for payment in the same manner as it would be able to in respect of a Documentary Credit or Instrument issued by a bank; and

(d) the Customer should seek independent legal advice, and the Customer assumes all such risks and waives all claims against RBC for losses, damages, costs, fees, claims, actions or demands with respect to such Documentary Credit or Instrument including any claims that RBC failed to alert the Customer that it was advising such type of Documentary Credit or Instrument, failed to pay such Documentary Credit or Instrument in the manner of a Documentary Credit or Instrument issued by a bank, or failed to collect payment from the issuer of such Documentary Credit or Instrument.

22.7 Subject to the provisions above, where any liability of RBC or any RBC Group member to the Customer (or any of its affiliates) arises under these Terms or in connection with any Trade Service, such liability shall not exceed USD 1,000,000 in aggregate in any calendar year.

### **23. DISCLOSURE, CONFIDENTIALITY AND PRIVACY**

23.1 Without limiting any other terms between the Customer and RBC or any RBC Group member, RBC is authorised:

(a) to appoint any other person as its correspondent, nominee or agent in connection with these Terms and any Trade Service and RBC may delegate any of its powers under these Terms or a Trade Service to such person;

(b) to notify any other person of its interest in any Documents, Goods or proceeds of sale; and

(c) to transfer and disclose any Customer Information to the following recipients (who may also process, transfer and disclose such Customer Information):

(i) any RBC Group member and any of its or their officers, directors, employees, professional advisors, insurers, brokers, auditors, partners, subcontractors, correspondents, nominees, agents, delegates, service providers (including External Providers and Platforms) and associates;

(ii) any Authorities;

(iii) anyone acting on the Customer's behalf, payment recipients, beneficiaries, account nominees, intermediary, correspondent and agent banks, clearing houses, clearing or settlement systems, market counterparties, upstream withholding agents, swap or trade repositories, stock exchanges, and companies in which the Customer has an interest in securities (where such securities are held by RBC for the Customer);

(iv) any person or entity who acquires (or may acquire) an interest in or assumes (or may assume) risk in or in connection with any Trade Service; (v) any other financial institutions, credit reference agencies or credit bureaus, for obtaining or providing credit references; and/or

(vi) any person or entity in connection with any RBC Group business transfer, disposal, merger or acquisition, wherever located, including in jurisdictions



which do not have data protection laws that provide the same level of protection as the jurisdiction in which the Trade Service is supplied,

including where the recipient of any such appointment, notification, transfer or disclosure is located outside of the relevant Governing Jurisdiction.

23.2 RBC will not be liable for the acts or omissions of any External Provider as to the collection, use or disclosure by that External Provider of Customer Information.

23.3 Where the Customer has given RBC information about natural persons (such as authorised signatories), the Customer confirms that those natural persons have authorised the Customer to do so (and to receive any data protection notices on their behalf) and have consented to RBC's collection, use, storage, processing, transfer and disclosure of their Personal Data and data for the purpose of RBC carrying out any action contemplated by these Terms or providing a Trade Service to or for the Customer.

23.4 The Customer shall ensure that any information that the Customer asks RBC to forward to third parties is complete, accurate and will not give rise to any claim against RBC (including any claim in defamation, in relation to privacy, banking secrecy or data protection or for infringement of any other third party rights) and the Customer confirms and represents that it has obtained the requisite consent and/or waiver (where required) for RBC to forward such information.

## **24. MISCELLANEOUS**

24.1 Other than a Trade Service which has been provided on an irrevocable or committed basis, RBC may at any time withdraw a Trade Service or refuse to provide a Trade Service in its absolute discretion.

24.2 Any waiver, release or consent by RBC under or in respect of these Terms or a Trade Service will only be effective if made in writing (which may be made through a Platform).

24.3 RBC may at any time change these Terms by providing the Customer with at least 30 days' written notice and any Trade Service requested on or after the effective date in such notice shall be subject to the amended Terms.

24.4 RBC is authorised to take such steps and to make such payments as it considers necessary, at the cost of the Customer, to remedy any default by the Customer in respect of its obligations under these Terms or any Trade Service.

24.5 Neither RBC's failure to exercise, nor RBC's delay in exercising, any of its rights or remedies under these Terms or in respect of a Trade Service shall operate as a waiver of any such right or remedy, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise of any other right or remedy.

24.6 The Customer may not assign or transfer any of its rights or obligations under these Terms or a Trade Service. RBC may assign, transfer or create security over any

of its rights under or in respect of these Terms or a Trade Service without restriction or notice.

24.7 Without prejudice to Clause 20 (*INSTRUCTIONS*), any notices by the Customer in connection with these Terms or a Trade Service must be given to RBC in writing at the address of RBC most recently advised by RBC to the Customer. RBC may give notice to the Customer in person, by telephone or facsimile, by post, through a Platform or, if agreed by the Customer, through another electronic channel at the address or number most recently notified by the Customer to RBC. A notice sent by post will be deemed to have been received 7 calendar days after posting if within the same country, or 15 calendar days after posting if cross border.

24.8 Each of the provisions of these Terms is severable and distinct from the others and, if one or more of such provisions is or becomes illegal, invalid or unenforceable, the remaining provisions shall not be affected in any way.

24.9 If the Customer includes two or more persons, the obligations and liabilities of these persons under or in respect of a Trade Service and these Terms shall be joint and several.

24.10 Nothing in these Terms shall be deemed to create any partnership, joint venture or relationship of principal and agent between RBC and the Customer or create or give rise to any fiduciary relationship of any nature.

24.11 To the extent permitted by the laws of the Governing Jurisdiction, the Customer irrevocably waives any right of sovereign immunity from suit, jurisdiction or adjudication (including in respect of pre-judgement interim relief and execution of any judgement) that it may have in the Governing Jurisdiction or otherwise, whether that immunity relates to itself or to any commercial or non-commercial assets (including land, bank accounts or other assets held in the name of a diplomatic mission or otherwise or belonging to the Customer's central bank or other monetary authority).

24.12 These Terms are for the benefit of the Customer, RBC and each RBC Group member, and are not intended to benefit any other third party or be enforceable by any other third party. Any rights of RBC to bring to an end or change these Terms or any contract to which they form part are not subject to the consent of any other third party.

## **25. GOVERNING LAW AND JURISDICTION**

25.1 For the purposes of a Trade Service:

- (a) that Trade Service and these Terms will be governed by the laws of the Governing Jurisdiction; and
- (b) the courts of the Governing Jurisdiction shall have non-exclusive jurisdiction to settle any disputes that may arise out of, or in connection with, that Trade Service and these Terms, their interpretation or any non-contractual obligations arising from or connected with them.

25.2 If a process agent is specified in an Application or Facility Agreement in respect of a Trade Service, service of any legal process on the person

whose name and address is specified in such Application or Facility Agreement shall constitute service on the Customer.

25.3 If no process agent has been appointed by the Customer, upon request from RBC the Customer will, within five Business Days, appoint a process agent (with an office in the Governing Jurisdiction) for service of all legal process relating to these Terms and the relevant Trade Service on the Customer and the Customer will notify the process agent's address to RBC. If the Customer does not do this, RBC may appoint a process agent on the Customer's behalf and at its expense and shall, as soon as practicable, notify the Customer of such appointment.

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## SECTION 7 – DEFINITIONS AND INTERPRETATION

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### 26. DEFINITIONS AND INTERPRETATION

26.1 In these Terms:

**Application** means an application, instruction or request by the Customer for a Trade Service (whether for itself or for another person) using an application form, or pursuant to the terms of a Facility Agreement or made using a Platform.

**Authorities** includes any judicial, administrative, public or regulatory body (including any self-regulatory body), any government, any tax authority, any securities or futures exchange, any court, any central bank or law enforcement body, or any of their agents, with jurisdiction (direct or indirect) over any part of the RBC Group at any time.

**Back-to-Back Documentary Credit** has the meaning given to it in Clause 3.14 (*DOCUMENTARY CREDITS*).

**Business Day** means, in respect of a Trade Service, a day on which banks are open for general business in the Governing Jurisdiction.

**Cash Collateral** has the meaning given to it in Clause 10 (*CASH COLLATERAL*).

**Claim** means any demand, request for payment or for acceptance and payment, claim, presentation or drawing made in respect of a Trade Service by a beneficiary, the Customer or any other person.

**Collection** means a collection transaction in respect of the handling of Documents where RBC may act as either a remitting bank, collecting bank or presenting bank.

**Compliance Action** has the meaning given to it in Clause 19 (*COMPLIANCE WITH LAWS AND SANCTIONS*).

**Country Conditions** means RBC's additional terms and conditions for the country in which the RBC entity providing the relevant Trade Service is located.

**Customer** means the person who requests the relevant Trade Service and with whom RBC contracts with respect to the provision of that Trade Service (and, without limitation, as may be specified in the relevant Application). If RBC provides a Trade Service to a person that is not a customer of RBC, references in these Terms to the

“Customer” shall apply to that person even though that person is not a customer of RBC.

**Customer Information** means any Personal Data, confidential information, and/or Tax Information (including accompanying statements, waivers and consents) of either the Customer, or a person or entity whose information (including any Personal Data or Tax Information) which the Customer provides, or which is provided on the Customer’s behalf, to any RBC Group member in connection with the provision of any Trade Service.

**Customer Liabilities** means at any time:

- (a) all liabilities of the Customer to RBC or any RBC Group member (including arising under or in connection with any Trade Service and these Terms) incurred in any currency and in any capacity and whether present or future, actual or contingent, direct or indirect, or incurred alone or jointly with any other person;
- (b) interest on such liabilities (both before and after any demand or judgment) to the date on which RBC or any such RBC Group member receives payment, at the rates payable by the Customer or which would have been payable but for any circumstances which restricts payment;
- (c) any costs and expenses incurred by RBC or any RBC Group member in making payment under or in respect of a Trade Service on behalf of the Customer (but without RBC being under any obligation to do so) as a result of failure by the Customer to make such payment when due or demanded; and
- (d) all costs and expenses (including legal fees on a full indemnity basis) of RBC or any RBC Group member in perfecting or enforcing its rights under or in respect of a Trade Service and these Terms.

**Documentary Credit** means a documentary credit or letter of credit or any commitment to issue a documentary credit or letter of credit (including any extension, renewal or amendment of the same).

**Documents** means any drafts, bills of exchange, promissory notes, cheques, documents of title, certificates, invoices, statements, transport documents, insurance policies, warehouse warrants, warehouse receipts or any other similar instruments relating to a Trade Transaction in respect of which RBC has provided Trade Service(s) to the Customer.

**Electronic Means** has the meaning given to it in Clause 20 (*INSTRUCTIONS*).

**Exchange Rate** means RBC’s spot rate of exchange (or if RBC does not have an available spot rate of exchange for the relevant currency, any other publicly available spot rate of exchange selected by RBC) for the purchase of the required currency in the relevant foreign exchange market at the relevant time using the currency in which the relevant payment was paid (where any such spot rate of exchange shall be selected by RBC acting reasonably in the circumstances).

**External Provider** means a person (other than RBC) that makes any Platform available to RBC and/or the Customer.

**External Terms and Conditions** means any agreement which is entered into between an External Provider and either RBC or the Customer setting out the terms and conditions applicable to RBC's or the Customer's use of a Platform.

**Facility Agreement** means a letter or agreement between the Customer and RBC pursuant to which RBC agrees to provide to the Customer a facility in respect of Trade Services.

**Finance** means discounting, negotiating, purchasing, prepaying, early paying or endorsing a Document (whether or not drawn under a Documentary Credit or Collection) or Documentary Credit and **Financed** and **Finances** shall be construed accordingly. For the avoidance of doubt, **Finance** does not include a Trade Finance Loan.

**Goods** means the goods or products which are the subject of a Trade Transaction in respect of which RBC has provided Trade Service(s) to the Customer.

**Governing Jurisdiction** means the jurisdiction in which the relevant RBC entity providing the Trade Service is located or such other jurisdiction agreed in writing between the Customer and RBC or specified in the relevant Country Conditions.

**ICC** means the International Chamber of Commerce.

**Increased Costs** means a reduction in the rate of return from a Trade Service or on RBC's overall capital, an additional or increased cost or a reduction of any amount due and payable under these Terms or in respect of a Trade Service, which is incurred or suffered by RBC to the extent that it is attributable to RBC performing its obligations under these Terms or a Trade Service.

**Indemnified Party** has the meaning given to it in Clause 9 (*REIMBURSEMENT AND INDEMNITY*).

**Instruction** has the meaning given to it in Clause 20 (*INSTRUCTIONS*).

**Instrument** means any SBLC, demand guarantee (including an avalisation, coacceptance or acceptance of a Document), bond, counter-guarantee, counter-SBLC, or similar independent payment obligation (including any extension, renewal or amendment of the same).

**Losses** has the meaning given to it in Clause 9 (*REIMBURSEMENT AND INDEMNITY*).

**Master Documentary Credit** has the meaning given to it in Clause 3.14 (*DOCUMENTARY CREDITS*).

**Personal Data** means any information relating to an individual from which such individual can be identified, including sensitive personal data, name(s), residential address(es), contact information, age, date of birth, place of birth, nationality, citizenship, personal and marital status.

**Platform** means any electronic platform (a) used by RBC, the Customer or any other person for giving or receiving any Instruction, Claim or other communication in relation to any Trade Service, and/or (b) used by RBC or any other person for issuing or providing any Trade Service, and shall include the internet-based RBC Global Trade portal.

**RBC** means Royal Bank of Canada, including its successors and assigns and, where the context permits, includes any person appointed by Royal Bank of Canada under Clause 23.1(a) (*DISCLOSURE, CONFIDENTIALITY AND PRIVACY*).

**RBC Group** means RBC and its subsidiaries and affiliates from time to time.

**Recourse Event** means in respect of a Trade Service:

- (a) any misrepresentation, alleged or actual fraud, illegality or unauthorised act of the Customer and/or any other party to the Trade Transaction;
- (b) any alleged or actual invalidity, non-compliance or unenforceability of the Documentary Credit, SBLC, Document(s) or Trade Transaction (as applicable); or
- (c) any injunction, court order, law, regulation or Sanctions which restrict any payment (whether to or from RBC and/or not subsequently discharged).

**SBDC** means a standby documentary credit.

**SBLC** means a standby letter of credit (which includes an SBDC).

**Sanction** has the meaning given to it in Clause 19 (*COMPLIANCE WITH LAWS AND SANCTIONS*).

**Security Agreement** means any document creating security or quasi-security over any of the Customer's rights and/or assets in support of any obligations which the Customer may have to any RBC Group member from time to time.

**Tariff Book** means, if applicable in the relevant jurisdiction, RBC's tariff book setting out RBC's fees, commissions, interest rates and other rates for Trade Services as is available upon request by the Customer and/or can be accessed online.

**Tax** includes goods and services tax, value added tax, sales tax, stamp duty or any tax, levy, impost, deduction, charge, rate, duty, compulsory loan or withholding which is levied or imposed by a government agency, and any related interest, penalty, charge, fee or other amount (but does not include tax on the overall net income of RBC).

**Tax Information** means any documentation or information (and accompanying statements, waivers and consents) relating, directly or indirectly, to the Customer's tax status and the tax status of any owner, "controlling person", "substantial owner" or beneficial owner of the Customer.

**Trade Finance Loan** means a loan, advance, credit or other financial accommodation provided by RBC to the Customer in respect of a Trade Transaction.

**Trade Service** includes:

- (a) the issue of a Documentary Credit and instructing any advising bank, nominated bank or confirming bank in relation to such Documentary Credit;
- (b) acting as the advising bank, nominated bank or confirming bank (on a disclosed or undisclosed basis) in relation to a Documentary Credit;
- (c) the issue of an Instrument and/or instructing any correspondent bank in relation to, and issuing an counter-guarantee, counter-SBLC or indemnity in respect of, an Instrument;

- (d) acting as the advising bank, confirming bank or correspondent bank in relation to an Instrument;
- (e) the handling of a Documentary Credit, Instrument or Document;
- (f) Collections;
- (g) the provision of any Finance;
- (h) the provision of a Trade Finance Loan;
- (i) the issue of a letter of indemnity or shipping guarantee and/or the signing, endorsement or release of any Transport Document;
- (j) the release of Documents;
- (k) any other service or product relating to a Trade Transaction provided, by RBC to, at the request of, or in respect of the Customer.

**Trade Transaction** means a transaction involving the sale or purchase by the Customer of goods or services from/to a third party, and includes any contract(s) on which such transaction may be based.

**Transport Documents** has the meaning given to it in Clause 8 (*APPLICATIONS FOR RELEASE OF GOODS, SHIPPING GUARANTEES AND LETTERS OF INDEMNITY*).

**USD** means the lawful currency of the United States of America.

26.2 Unless contrary indication appears, any reference in these Terms to:

an **Application** or **Trade Service** (and any reference in an Application to a **Trade Service**) includes (where applicable) the contract created between the Customer and RBC by RBC accepting that Application by providing or undertaking that Trade Service;

- (a) the **Customer, RBC** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under these Terms, an Application, a Facility Agreement or Country Conditions;
- (b) **include** or **including** means include or including "without limitation";
- (c) RBC making a determination or decision or undertaking an action means that RBC is making or undertaking, and is permitted to make or undertake, such determination, decision or action in its sole discretion or opinion without reference to, or consent from, the Customer or any other person;
- (d) an authorisation or confirmation by, or instruction from, the Customer means that such authorisation, confirmation or instruction is irrevocable unless waived by RBC;
- (e) a **person** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
- (f) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental,

intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

- (g) these **Terms** include the Country Conditions;
- (h) these **Terms** or any other agreement or instrument is a reference to these Terms or, as the case may be, other agreement or instrument as amended, supplemented, novated and/or replaced from time to time; (i) the singular shall include the plural and vice versa; and
- (j) section and clause headings are for ease of reference only.

In addition to these Terms being incorporated into each Application, these Terms may also be incorporated by RBC into a Facility Agreement or any other document or agreement.

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## **COUNTRY CONDITIONS - CANADA**

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### **1. APPLICATION**

1.1 These Country Conditions are supplemental to, and form part of, the Standard Trade Terms (the **Terms**) which the Customer has accepted and/or may accept from time to time.

1.2 Any terms defined in, or construed for the purposes of, the Terms have the same meanings when used in these Country Conditions (unless the same are otherwise defined in these Country Conditions).

1.3 These Country Conditions shall apply where the RBC entity providing the relevant Trade Service is located in Canada.

### **2. ADDITIONAL/SUPPLEMENTAL TERMS AND CONDITIONS**

2.1 The Governing Jurisdiction is the province of Canada in which the branch of RBC that holds the deposit account of the Customer is located. If the Customer does not have a deposit account at RBC, the Governing Jurisdiction is the province Ontario, Canada.

2.2 The Customer agrees that any action or proceeding with respect to the Terms (or any agreement into which they are incorporated) or any judgment entered by any court in respect thereof may be brought in the Governing Jurisdiction, and the Customer irrevocably submits to the jurisdiction of such courts for the purpose of any such action, proceeding or judgement.

2.3 Nothing in these Terms shall affect any right that RBC may otherwise have to bring any action or proceeding relating to the Terms (or any agreement into which they are incorporated) against the Customer or its properties in the courts of any other jurisdiction.

**2.4 THE CUSTOMER WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY**



**LEGAL PROCEEDING DIRECTLY OR INDIRECTLY OUT OF OR RELATING TO A TRADE SERVICE OR THE TERMS OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).**

2.5 For the purposes of complying with the *Interest Act* (Canada), where interest is calculated in connection with a Trade Service at a rate based on a 360 or 365 day period, the yearly rate or percentage of interest to which such rate is equivalent is such rate multiplied by the actual number of days in the year (365 or 366, as the case may be) divided by 360 or 365 respectively. The Customer confirms that it fully understands and is able to calculate the rate of interest applicable to the Trade Services based on the methodology for calculating annual rates described in this paragraph and hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to the Terms, a Trade Service or any other document executed in connection with a Trade Service, that the interest payable under these Terms or in respect of a Trade Service and the calculation thereof has not been adequately disclosed to it as required pursuant to Section 4 of the *Interest Act* (Canada).

2.6 Where these Terms are to be construed in accordance with the laws of the province of Quebec and for all other purposes pursuant to which the interpretation of these Terms may be subject to the laws of Quebec or a court or tribunal exercising jurisdiction in the province of Quebec: (i) where an Application is signed by more than one Customer, each such Customer shall be solidarily liable with one another and waives all benefits of division and discussion, (ii) any right of “set-off” shall include a right of “compensation”, (iii) an “agent” shall include a “mandatary”, (iv) “joint and several” and “jointly and severally” shall include “solidary” and “solidarily”, and (v) a “corporation” shall include a “company”.

2.7 Where applicable, the Customer hereby waives all rights to receive a copy of any financing statement, financing change statement or verification statement filed at any time and from time to time in respect of security interests granted by the Customer to the Bank herein, to the fullest extent permitted by applicable law.

2.8 The Customer may cancel any Application by providing written notice to RBC within three (3) business days of execution of such Application. A cancellation fee will not be charged. However, if RBC has initiated or completed the Trade Service requested in such Application in any manner, then these Terms as well as any fees or charges incurred continue to apply to all such initiated or completed Trade Services.

2.9 It is the express wish of the parties that this Agreement and any supplemental documents be drawn up and executed in English. ***Les parties conviennent que la présente convention et tous les documents s’y rattachant soient rédigés en anglais.***