

# Master Client Agreement for Business Clients

Legal terms and conditions



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## INTRODUCTION

These Legal Terms and Conditions form part of the Master Client Agreement for Business Clients between Royal Bank and the Customer. The Agreement is in parts, and each part is incorporated into the others.

These Legal Terms and Conditions govern the use of Services, and contain:

**Part A – general terms applicable to all Services;**

**Part B – additional legal terms for specific Services; and**

**Part C – glossary containing rules of interpretation and defined terms.**

The Customer is bound by the Agreement when the Customer enters into the Agreement or when the Customer is enrolled in, authorized for, or uses a Service.

## PART A – GENERAL TERMS

### 1. General Services

1.1 [Use in Compliance with Agreement](#). The Customer will comply with this Agreement in connection with each Service and OPS accessed or used by or on behalf of the Customer.

1.2 [Enrolment](#). In order to use any Service, the Customer must satisfy Royal Bank's eligibility requirements for the Service and provide Royal Bank all enrolment information, forms, schedules, and other Documents (each, a "Schedule") it requests, in form and substance satisfactory to Royal Bank. Each Schedule is deemed to be incorporated in this Agreement immediately when given effect by Royal Bank, without any other action required by Royal Bank, the Customer, or any other Person.

Royal Bank is under no obligation to provide any Service to the Customer, and Royal Bank's records are conclusive as to the Services being provided to the Customer at any given time.

1.3 [Authorized Persons Only](#). The Customer represents, warrants, covenants, and agrees that each of the Services and Service Materials, including Documents and Instruments, will only be used by Persons properly authorized on its behalf for such purpose. Unless otherwise specified in an Authorization Form, the Customer represents, warrants, covenants, and agrees that each such Person:

- (i) has the power and authority to exercise all rights, powers, and authorities in connection with this Agreement and each

of the Services, including to incur liabilities and obligations and otherwise conduct and transact any business whatsoever on the Customer's behalf, to delegate any of these rights, powers, and authorities to any other Person and to make changes to any of the Person's information.

- (ii) may be provided Service Materials; and
- (iii) will comply with this Agreement and any other Document relating to the Services. The Customer is responsible, and will indemnify and hold harmless Royal Bank and its Representatives, for all Losses arising out of, or incidental to, the use, including any unauthorized use, of the Services or Service Materials by each such Person, including all acts or omissions of the Person. The Customer further confirms that each Person who exercises or delegates any rights, powers, or authorities for the Services through an Electronic Channel is authorized to do so, including acting alone if required for a Service, notwithstanding anything to the contrary which may be specified in an Authorization Form. The Customer will provide Royal Bank with at least thirty (30) days' prior written notice of any change to a Person or a Person's authority specified in an Authorization Form. The change will only be effective once it is implemented by Royal Bank. Royal Bank may, in its discretion, with or without prior notice, accept, reject, or terminate any Person's use of a Service or Document at any time.

1.4 [No Third Party Use](#). No Service may be used, directly or indirectly, by, for, or on behalf of any Person other than the Customer, unless otherwise agreed in writing by Royal Bank. Where Royal Bank has agreed in writing to the use of a Service by, for, or on behalf of another Person, the Customer will provide Royal Bank any Document it requests, in form and substance satisfactory to Royal Bank. For these purposes, the Customer represents, warrants, covenants, and agrees that the Customer:

- (i) has the power and authority to exercise all rights, powers, and authorities to act on behalf of the Person in connection with each of the Services, including to incur liabilities and obligations and otherwise conduct and transact any business whatsoever on the other Person's behalf, and to delegate any of these rights, powers, and authorities to any other Person;

- (ii) may be provided the other Person's Security Devices and other Service Materials; and
- (iii) will comply with this Agreement and any other Document relating to the Services. The Customer is responsible, and will indemnify and hold harmless Royal Bank and its Representatives, for all Losses arising out of, or incidental to, the use, including any unauthorized use, of the Services or Service Materials by, for, or on behalf of any other Person, including all acts or omissions of the Customer or other Person. The Customer further confirms that it is authorized to exercise and delegate all rights, powers, or authorities for the Services through an Electronic Channel, including acting alone if required for a Service, notwithstanding anything to the contrary which may be specified in an Authorization Form. Royal Bank may, in its discretion, with or without prior notice, accept, reject, or terminate the use of a Service or Document for this purpose at any time, including if the Customer or other Person ceases to be a Royal Bank client.

**1.5 [No Improper Use and Harmful Content.](#)** No Service may be used for, or in connection with, any fraudulent, unlawful, dishonest, or other activity unsatisfactory to Royal Bank, including for any malicious, defamatory or improper purpose, and nothing will be done which could undermine the security, integrity, effectiveness, goodwill, or connectivity of any Service, including any activity that could threaten or cause harm to Royal Bank or any other Person. The Customer is responsible for the contents of any messages or information sent or received using the Services, and is prohibited from sending or receiving any Harmful Content or potentially Harmful Content.

**1.6 [Notice of Unauthorized Use.](#)** The Customer will immediately notify Royal Bank, verbally and in writing, if any Service Materials are lost or stolen or if there is any unusual, suspicious, actual or suspected fraudulent or other unauthorized use in relation to a Service, including if:

- (i) any unauthorized Person has had, or may have, access to any Service, Security Device or other Service Materials, Document, or Electronic Channel; or
- (ii) any Service, Service Materials, or Electronic Channel has been, or may be, used in a manner contrary to this Agreement. The provision of notice as outlined above will

be in accordance with any instructions provided by Royal Bank, and will not affect any good faith actions or omissions by Royal Bank prior to or after receipt of such notice.

**1.7 [Monitoring; Restrictions, etc.](#)** Royal Bank may, without prior notice, monitor and examine all aspects of the use of Services or Accounts. Royal Bank may, without obligation or prior notice, immediately take any action that it deems necessary or appropriate in connection with any Service or Account, including to restrict access to, freeze, or suspend any Service including Accounts or decline, freeze, retain, reverse, return, or otherwise refuse to act on, honour, or process any Document or related transaction. If there is a dispute about the funds in an Account or the ownership of an Account, Royal Bank may freeze the funds in the Account until such time as the dispute is resolved, apply to the court for directions or pay the funds into court, for which payment shall be in Canadian dollars with the conversion, if any, occurring on the date of payment at a currency conversion rate established by Royal Bank in its discretion. In any case, Royal Bank shall fully recover any Losses incurred by Royal Bank from the funds in the Account. Royal Bank may notify and provide data and information to any Regulatory Authority regarding the foregoing.

**1.8 [Set-off.](#)** Royal Bank may, at any time, and without notice, apply any credit balance (whether due or not) in any Account, or in any other account in the Customer's name or to which the Customer is beneficially entitled, maintained at any branch or agency of Royal Bank, including any Royal Bank affiliates, inside or outside Canada, towards the payment of any obligation (including any contingent obligation) of the Customer to Royal Bank whether in the same or other currency. Royal Bank may use all or any part of any such credit balance to buy any currencies that may be necessary to effect that application. This right of set-off is in addition to, and in no way derogates from, Royal Bank's rights of consolidation and set-off under Applicable Laws.

**1.9 [Subcontractors.](#)** Royal Bank may subcontract the performance of the Services, in whole or in part, to any other Person, provided that Royal Bank shall remain responsible for the Services in accordance with this Agreement.

## 2. Fees and Charges

- 2.1 [Payment Obligation](#). The Customer will pay Royal Bank's standard fees and charges applicable to the Services when they are due, unless otherwise agreed in writing by Royal Bank, together with applicable taxes. All fees and charges are expressed exclusive of sales tax, deductions and withholdings. The amount of any sales tax will be charged by Royal Bank and will be payable by the Customer to Royal Bank in addition to the fees and charges expressed. If any deductions or withholdings are payable, the fees and charges may be increased by the amount of such deductions or withholdings.
- 2.2 [Changes](#). Subject to compliance with Applicable Laws, Royal Bank may change any fees or charges, or add new fees or charges, at any time upon at least 30 days prior notice.
- 2.3 [Other Obligations](#). The Customer is responsible for the payment of any fees, charges, taxes, or other amounts owing to other Persons in connection with the Services.
- 2.4 [Payment Method](#). Royal Bank may debit any Account to collect fees, charges, taxes, and other amounts owing in connection with the Services. Royal Bank may also debit any account held by the Customer at another financial institution, provided that the Customer will execute and provide Royal Bank a pre-authorized debit agreement or any other Document requested by Royal Bank for such purpose, in form and substance satisfactory to Royal Bank. Royal Bank and other Persons, including intermediaries and beneficiaries' financial institutions, may also deduct applicable fees and charges from the amount of an Instrument. Unless otherwise agreed in writing by Royal Bank, payment must be made in money which is legal tender at the time of payment.

## 3. Information

- 3.1 [Accuracy of Information](#). The Customer is responsible for the accuracy and completeness of all information provided to Royal Bank, and Royal Bank is authorized and directed to rely on such information. Royal Bank is under no duty to detect any inaccurate, inconsistent or incomplete information provided to it in connection with any Service. If necessary to give effect to instructions for a Service, Royal Bank may change the information provided to it, including names and account numbers. If Royal Bank receives a request to reverse or change previously given instructions and this request is not received

within the times prescribed by Royal Bank, Royal Bank is under no obligation to implement the reversal or change.

- 3.2 [Statement Verification](#). The Customer is responsible for verifying the completeness and correctness of each statement provided by Royal Bank. If a statement is not received or cannot be accessed within ten (10) days of the applicable statement date, the Customer will notify Royal Bank within five (5) days.

The Customer is responsible for notifying Royal Bank in writing of any errors or irregularities in, omissions from, unauthorized or forged transactions or Instruments reflected on, or any other objections with respect to each statement within forty-five (45) days of each statement date. At the end of the forty-fifth (45th) day following each statement date, the statement prepared by Royal Bank will be deemed correct and will be conclusive evidence that all entries and balances contained in it are correct, provided that this will not apply with respect to any objections of which Royal Bank is notified as outlined above, amounts credited in error, or any other amounts that Royal Bank may debit pursuant to this Agreement.

The notification periods in this Agreement commence on the applicable statement date, regardless of the means of delivery of the statement or whether or not the Customer receives the statement.

- 3.3 [Information Icons, Help Content, and Links](#). There may be important terms and conditions displayed when information icons or links are clicked using the Services, and these terms and conditions form part of the Agreement. The Customer will ensure these terms and conditions are accessed and reviewed accordingly.
- 3.4 [Intraday](#). Intraday or same day information available using the Services is subject to change, and must be subsequently verified by the Customer.
- 3.5 [Record Keeping](#). Each party will retain copies of all records relating to the Services in the manner and for the minimum time periods required by Applicable Laws. Royal Bank's records will, in the absence of manifest error, constitute conclusive evidence of their contents.
- 3.6 [Functionality and Features](#). Not all of the same functionality or features may be accessible or available at all times for all Services or Electronic Channels.

## 4. Instruments

4.1 [Instruments](#). All Instruments must comply with Applicable Laws and any other specifications provided by Royal Bank. Royal Bank may present and deliver Instruments for payment, clearing, collection, acceptance or otherwise through any financial institution or other Person, and in any manner, as it deems appropriate.

Instruments are subject to the Applicable Laws and each jurisdiction in which they are processed, including any intermediary jurisdiction in which they are processed through, and the Customer is responsible to ensure all Instruments comply with such Applicable Laws. Royal Bank is not responsible for any Losses relating to an Instrument which contravenes Applicable Laws.

4.2 [Clearing Rules](#). The Customer will comply with all CPA Rules and NACHA Rules applicable to the Services. The Customer is responsible for ensuring that it has obtained and put in place all Documents required under CPA Rules and NACHA Rules in connection with the Services and the services it provides to its clients that relate to the Services. The Customer is responsible for all Losses which may be imposed under CPA Rules or NACHA Rules if it fails to obtain or put in place the Documents. In addition, the Customer agrees that:

- (i) each Instrument drawn on or payable by it or payable through an Account will comply with all applicable by-laws, rules and procedures of each clearing and settlement system and network in which the Customer and Royal Bank participate in connection with the Services, including those relating to the clearing and settlement of Instruments; and
- (ii) it will not act in a manner that would cause Royal Bank to be in breach of any such by-laws, rules or procedures.

4.3 [Verification of Authenticity, etc.](#) The Customer is responsible for the verification of the authenticity and validity of all Instruments deposited to and drawn on the Accounts (including if the Customer becomes aware that an Instrument has forged signatures, has been altered, is a duplicate, is counterfeit or is otherwise unauthorized or fraudulent). If an Instrument should not be paid, the Customer will ensure Royal Bank is provided instructions not to pay the Instrument within the timelines prescribed by Applicable Laws and Royal Bank. Instruments returned beyond the timelines prescribed by Applicable Laws and Royal Bank will be handled by Royal Bank on a

collection basis only, and at the sole liability and responsibility of the Customer.

Unless otherwise agreed in writing by Royal Bank, Royal Bank shall have no duty, responsibility, or obligation to review, examine, or confirm the beneficiary or payee name, endorsement, signature, amount, or other information appearing on any Instrument. The Customer will immediately provide Royal Bank with any endorsements or signatures on Royal Bank's request.

4.4 [Royal Bank Discretion](#). Royal Bank may, in its discretion, refuse a deposit to an Account, or refuse to process any Document, for any reason in accordance with Applicable Laws or its policies, procedures, or guidelines, including but not limited to, if the Document exceeds processing volumes established by Royal Bank.

4.5 [Optional Message or Information](#). Royal Bank will display the contents of any optional message or information accompanying an Instrument as they were received from the sender of the Instrument. Unless otherwise agreed in writing by Royal Bank, Royal Bank shall have no duty, responsibility, or obligation with respect to the contents of such optional message or information, including, but not limited to, to review or examine the contents of such optional message or information.

4.6 [Chargeback](#). Royal Bank may debit any Account for any amount that Royal Bank determines, in its discretion, was credited to the Account, or otherwise paid to or on behalf of the Customer, as a result of an error or any Instrument which may be forged, fraudulent, altered, duplicate, counterfeit, incomplete or unauthorized in any way, including as a result of a material alteration or any forged, fraudulent, altered, duplicate, counterfeit, unauthorized, missing, or incomplete endorsement or signature, or for which Royal Bank is unable to receive irrevocable settlement or payment, in each case together with all associated Losses.

This will include the amount of an Instrument payable to another Person and which is missing endorsements, or which has forged, fraudulent, altered, duplicate, counterfeit, unauthorized, missing or incomplete endorsements, or the amount of an Instrument to which any party thereto is bankrupt or insolvent. This will also include any Instrument which is duplicate, dishonoured, unpaid, fraudulent, unauthorized, forged, altered, counterfeit, incomplete or paid and subsequently returned.

The Customer agrees to immediately repay any overdraft caused by such debit, together with interest, in accordance with this Agreement. Royal Bank may make any other adjustments to an Account to give effect to the foregoing.

- 4.7 [Waiver of Presentation, etc.](#) The Customer waives presentment for payment, notice of dishonour, protest, and notice of protest of any Instrument. The Customer will be liable to Royal Bank on any Instrument as if it had been duly presented for payment and protested and notice of dishonour and protest given to all parties to it as provided by Applicable Laws.
- 4.8 [Assignment of Claims.](#) Royal Bank may take any steps or proceedings with respect to any Instrument deposited or discounted with Royal Bank as it deems appropriate, either in its own name or in the Customer's name. For this purpose, the Customer assigns to Royal Bank all of the Customer's claims against each party to any such Instrument.
- 4.9 [Authority to Pay Instruments.](#) In the same manner as in the case of an ordinary cheque, Royal Bank may pay and debit an Account of the Customer in the amount of every Instrument that is payable by the Customer at Royal Bank and that is presented for payment to Royal Bank.
- 4.10 [Cut-off Times.](#) Royal Bank may prescribe cut-off times for receiving Instruments or other Documents for processing. Royal Bank may, in its discretion, use reasonable efforts to process an Instrument or other Document even if it is received after the prescribed cut-off time, provided that Royal Bank will not be responsible for any failure to process such Instrument or other Document. The Customer discharges Royal Bank from, and will indemnify and hold harmless Royal Bank for, any Losses resulting from the processing of, or failure to process, such Instrument or other Document.
- 4.11 [Finality.](#) Once Instruments or other Documents are received by Royal Bank, Royal Bank is under no obligation to reverse or change the Instrument or other Document. Royal Bank may, in its discretion, use reasonable efforts to implement a requested reversal or change, provided that Royal Bank will not be responsible for any failure to do so. The Customer discharges Royal Bank from, and will indemnify and hold harmless Royal Bank for, any Losses resulting from the implementation of, or the failure to implement, such reversal or change.
- 4.12 [Limits.](#) Royal Bank may establish one or more limits (dollar amounts or otherwise) for any Services or Instruments drawn on the Accounts, and the Customer will adhere to these limits. Royal Bank may at any time, in its discretion, without notice, change or impose these limits for any reason, including in order to process any Instrument which would have exceeded a limit.
- 4.13 [Available Funds.](#) Notwithstanding any prior course of conduct, Royal Bank will have no obligation to process, and Royal Bank may at any time in its discretion refuse to process, any Instrument unless:
- (i) the Instrument is within any limits established by Royal Bank; and
  - (ii) there are sufficient limits or funds available in the applicable Account at the time the instructions are submitted to Royal Bank. Funds may be debited from an Account at the time the instructions are submitted to Royal Bank for the Instrument, even if the Instrument is future-dated, except where otherwise agreed in writing by Royal Bank. Once funds are debited from an Account, the funds will be held by Royal Bank until the earlier of the date the Instrument is processed or termination of an applicable Service, and the funds will not earn interest during this hold period. If an applicable Service is terminated, any future-dated Instruments may be cancelled by Royal Bank and any funds held by Royal Bank for cancelled future-dated Instruments will be returned to the Customer.
- 4.14 [Foreign Exchange Risk.](#) If an Instrument or transaction requires conversion of funds from one currency to another currency, unless otherwise agreed in writing by Royal Bank, Royal Bank may convert the Instrument or funds to the applicable currency at the applicable currency conversion rate established for such purpose by Royal Bank in its discretion. Royal Bank may debit or credit any Account for the funds required for the conversion, and for any related fees and charges. Royal Bank will not be responsible for any Losses relating to foreign currency conversions, including those resulting from a change to Royal Bank's currency conversion rates between the date an Instrument is converted by Royal Bank and the date the Instrument is delivered, received, processed, or returned to the Customer's Account. The Customer is responsible for verifying that Instruments are being converted in accordance with these terms.

**4.15 Account and Transit Numbers.** If a Document specifies an account number for the beneficiary or transit number for the beneficiary's financial institution, Royal Bank may rely on the account or transit number for the purpose of processing the Document. If Royal Bank makes funds available relying on the specified account or transit number, Royal Bank will have satisfied its obligations to process the Document even if the account or transit number identifies a Person different from the intended beneficiary or beneficiary named in the Document. Royal Bank is under no duty to detect any such inconsistency, and Royal Bank will not be responsible for any Losses resulting from any such inconsistency.

**4.16 Format.** Digital images or electronic representations of Instruments (including copies of same) may be made or captured and used as if it were the original paper Instrument, including in the exchange and clearing of payments in Canada and other jurisdictions. Original paper Instruments may be destroyed and not returned to the Customer. Royal Bank is entitled to act on any such image or representation for all purposes as if it were an original paper Instrument. Royal Bank and other financial institutions may reject any Instrument that does not comply with their respective policies, procedures, or guidelines or Applicable Laws. If Instruments are printed by a vendor that is not approved by Royal Bank, or security features are used or an Instrument is made out in a manner that causes critical data to disappear or be obscured on imaging or truncation (being the act of taking an electronic image of an Instrument and destroying the original paper Instrument), then the Customer is responsible for any associated Losses.

Copies of images of Instruments (including digital or electronic representations) may be provided to the Customer before they are posted to an Account or Royal Bank has determined whether the Instrument will be honoured or accepted. Such copies of images of Instruments are made available by Royal Bank as a Service to the Customer, and the provision of copies of images of Instruments does not mean that a transaction has been processed or in any way obliges Royal Bank to honour or accept the Instruments. Royal Bank will not be required to ensure that copies of images of Instruments can be made available to the Customer or any other Person for longer than seven (7) years following the date of the statement of Account on which the Instrument appears.

**4.17 Other Financial Institutions and Beneficiaries.** The beneficiary of an Instrument may not receive the funds on the date the funds are debited from the applicable Account, or otherwise on the date the Customer instructs. Except as otherwise expressly agreed by Royal Bank in this Agreement with respect to Royal Bank's Representatives, Royal Bank is not responsible for the actions or omissions of any other Person, including beneficiaries or other financial institutions sending, receiving, or processing Instruments or other Documents in connection with the Services, or for any Losses arising out of, or incidental to, any of the foregoing.

The Customer is responsible for notifying applicable Persons when a Document is sent, and of the delivery methods used to send the Document. The Customer is responsible for confirming each Document is accessed, sent, received, accepted, and processed as intended. Other Persons may set limits, requirements, and restrictions on the sending, receiving, or processing of the Document, including on the amount, currency, or legitimacy of the Document, and the Customer is responsible for adherence to such limits, requirements, and restrictions.

## 5. Other Products or Services

**5.1 OPS.** This Agreement is in addition to any agreement or other Document governing OPS. Where the Services include access to and use of OPS, including other accounts, investments, services, or loans, the Customer will comply with the terms and conditions of this Agreement and such other Document in connection with the access to and use of the OPS. If the Customer accesses or uses any OPS provided to, or owned by, any other Person, the Customer confirms that:

- (i) it has obtained any necessary consents and approvals of the other Person;
- (ii) it has the requisite power and authority for access to and use of the other Person's OPS; and
- (iii) its access and use of the other Person's OPS is permitted by, and in accordance with, Applicable Laws and all Documents governing access to and use of the OPS.

**5.2 Authorization.** Royal Bank is authorized and directed to do all things necessary to provide the Customer with access to and use of the OPS, including for Royal Bank to retrieve, consolidate, organize, and present information and other Documents to and from the Person providing the OPS. This may include Royal Bank using the Security Devices provided to it for the access to,

and use of, the OPS. The Customer confirms that it has the right to give Royal Bank this authorization and direction.

5.3 [Non-Reliance](#). The Customer will access and use the OPS directly from the Person providing them on a regular basis, using the Person's website or otherwise, to review and verify the accuracy of all Documents relating to the OPS.

5.4 [Liability](#). Royal Bank is not responsible for the access to or use of any OPS, including any Losses caused by any action or omission of the Person providing the OPS. Royal Bank is not responsible for the timeliness, completeness or accuracy of any information or other Documents provided to or from the Person providing the OPS. Royal Bank does not make any representations or warranties with respect to the quality of OPS provided by any other Person, or the other Person's reputation, credit rating, solvency, or privacy or security standards. The Customer will indemnify and hold harmless Royal Bank for any Losses resulting from its access to or use of the OPS, including any OPS provided to, or owned by, any other Person.

5.5 [Change or Termination](#). Royal Bank may, at any time, without notice, change or terminate the available access to or use of any OPS.

## 6. Electronic Banking

6.1 [Users](#). The Customer will ensure that:

- (i) each User is properly authorized to use the Services on its behalf, and that the User Permissions given to the User correspond to the User's authority to act on the Customer's behalf. Royal Bank may, in its discretion, with or without prior notice, accept, reject, change, or terminate the User Permissions given to each User;
- (ii) each User complies with the terms and conditions of the Agreement, including these terms and conditions and other applicable Service Materials. The Customer is responsible for all actions and omissions of Users, and all actions and omissions of Users are binding on the Customer;
- (iii) all information provided to Royal Bank about each User, including the name, mailing address, email address, telephone and mobile numbers, and other contact information for each User, is the correct and current information for the User acting in a business capacity on the Customer's behalf;
- (iv) all necessary changes are made in the event of a change to a User's authority or

information. The Customer is bound by any change made by a User. Changes made to the Services, including any change to the authority and information of each User, may not result in corresponding changes to any other Services or Documents; and

- (v) its other Services and Documents are changed to the extent necessary, in accordance with the Agreement.

6.2 [Disclaimer](#). Royal Bank is not responsible for verifying or changing the authority or information of any User in connection with any Service. This disclaimer applies notwithstanding anything contained in an Authorization Form or other Document provided to Royal Bank.

6.3 [Technology Requirements](#). Where applicable, the Customer is responsible for obtaining and maintaining, at the Customer's own expense, compatible Electronic Channels, hardware, operating systems, and software approved for such use by Royal Bank, and which are up-to-date and unaltered from manufacturer specifications. Royal Bank is not responsible for, and makes no representations or warranties of any nature with respect to, any such Electronic Channels, hardware, operating systems, and software.

Royal Bank has the right, in its sole discretion, without notice, to make changes to any of the Services from time to time which may result in the Customer's Electronic Channels, hardware, operating systems, and software no longer being compatible with the Services, and in such event, Royal Bank will have no responsibility or liability to the Customer or any other Person.

6.4 [Binding Effect](#). If Royal Bank receives any Document from or in the name of, or purporting to be from or in the name of, the Customer or any Person on the Customer's behalf, then the Document will be considered duly authorized by, binding on, and enforceable against, the Customer. Royal Bank is authorized to rely and act on the Document even if it differs in any way from any previous Document sent to Royal Bank.

Royal Bank is also authorized to rely and act on any signature appearing on a Document that is, or purports to be, a signature of the Customer or any Person on the Customer's behalf, including any signature affixed by mechanical, electronic, or other non-manual means, as being valid, authorized by, and binding on the Customer.

6.5 [Non-Manual Signing of Instruments and Instructions – Binding Effect](#). In the applicable Schedule, the Customer will provide Royal Bank



with specimens of the mechanical, electronic, or other non-manual signatures which may be used for its Documents. Any Document, including Instruments, bearing any such signature shall have the same legal effect as if in written paper form signed by the Customer, and the Customer is bound by, and responsible for, the resulting transactions. Royal Bank is authorized to give effect to any Document, including any Instrument, bearing such mechanical, electronic, or other non-manual signature, and regardless of who actually affixed the mechanical, electronic, or other non-manual signature, how that signature came to be affixed, or whether it is genuine.

- 6.6 **Biometric ID Feature.** The Customer will ensure that if a Person enables the Biometric ID Feature on an Electronic Channel, then;
- (i) such Person is properly authorized on the Customer's behalf for such purpose; and
  - (ii) no other Person is registered for the Biometric ID Service on the same Electronic Channel.

If the Customer does not want to use biometric identity as a Security Device, then the Customer will ensure that the Biometric ID Feature is not enabled. The Customer acknowledges and agrees that the Customer is responsible for ensuring only the fingerprint, face, or other biometric identity of authorized Persons are registered for the Biometric ID Feature and Royal Bank is not responsible for any Losses resulting from the fingerprint, face, or other biometric identity of any unauthorized Persons being registered for the Biometric ID Feature.

- 6.7 **Messaging and Voice Recognition Feature.** If the Customer has enabled the Messaging Feature or Voice Recognition Feature on an Electronic Channel and such Electronic Channel is unlocked, the Customer acknowledges and agrees that any Person, whether authorized by the Customer or not, may be able to use the Messaging Feature, or Voice Recognition Feature, as applicable, without requiring a Security Device, to access certain information of the Customer, including payee information, or to initiate the sending of a Document, including, without limitation, certain payments or other transactions. The Customer also acknowledges and agrees that any other Person whom the Customer permits to access or use their Electronic Channel will be able to use the Messaging Feature or Voice Recognition Feature, as applicable. The Customer is responsible for any information accessed through the Messaging Feature or Voice

Recognition Feature, as applicable. Royal Bank is not responsible to Customer for any Losses that may result from the Messaging Feature or Voice Recognition Feature, as applicable, being used by an unauthorized Person.

- 6.8 **Communication Methods.** Mail, courier, unencrypted Documents, or unencrypted Electronic Channels, including facsimile or email, may be used in connection with the Services, including for the delivery of Service Materials and Documents, including Instruments and information relating to Instruments to and from the beneficiary of the Instrument, intermediaries, the beneficiary's financial institution, or any other Person designated by the Customer or a beneficiary, as applicable. This information may include the Customer's Confidential Information, personal information, and other information relating to Instruments, including payor and payee names, payment amounts, account numbers, and details for the disposition of payments, and related goods or services.

The Customer is responsible for advising all applicable Persons of the delivery methods which may be used in connection with the Services. The Customer assumes full responsibility for the risks associated with the communication methods used in connection with the Services, including the risks that the use of mail, courier, unencrypted Documents, or unencrypted Electronic Channels is not secure, reliable, private, or confidential, and any Security Device or Document accessed, sent, received, accepted, or processed using any of these communication methods is subject to interception, loss, or alteration, and may not be received by the intended recipient in a timely manner or at all.

- 6.9 **Electronic Communication.** All communication between any of Royal Bank, the Customer, and any other Person in connection with the Services, whether through an Electronic Channel or otherwise, will take place in accordance with this Agreement. A Document, including any Instrument, which is accessed, sent, received, accepted, or processed through an Electronic Channel shall have the same legal effect as if in written paper form signed by the Customer, and will constitute a "writing" for the purposes of Applicable Laws. The Customer waives any right to raise a defence or waiver of liability on the basis that a Document was accessed, sent, received, accepted, or processed through an Electronic Channel, including on the basis that it was not "in writing" or was not signed or delivered. All Documents provided by an

Electronic Channel must be in a format which can be retained by Royal Bank. The Customer will keep the originals of all Documents transmitted to Royal Bank by facsimile or using any other Electronic Channel, and will produce them to Royal Bank on request.

- 6.10 [Electronic Imaging](#). Royal Bank may convert paper records of this Agreement and all other Documents delivered to Royal Bank into electronic images, as part of Royal Bank's normal business practices. Each such electronic image shall be considered an authoritative copy of the paper Document, and shall be legally binding on the parties and admissible in any legal, administrative, or other proceeding as conclusive evidence of the contents of such Document in the same manner as the original paper Document.
- 6.11 [Electronic Evidence](#). Electronic records, information, or other Documents maintained by Royal Bank in electronic form will be admissible in any legal, administrative, or other proceedings as conclusive evidence of the contents of those records, information, or other Documents in the same manner as an original paper Document. The Customer waives any right to object to the introduction of any such records, information, or other Documents into evidence on that basis.

## 7. Security

- 7.1 [Security](#). The Customer will at all times have in place prudent measures to ensure the security and confidentiality of the Services, Service Materials (including all Security Devices), Confidential Information, Electronic Channels, and Documents, including measures to detect and prevent Disabling Codes. The Customer will implement all features available to enhance the security of the Services. The Customer will immediately notify Royal Bank verbally and in writing, upon discovery of any security incident, including actual or suspected loss or unauthorized disclosure or use of Services materials or Royal Bank's Confidential Information.
- 7.2 [Royal Bank's Procedures](#). The Customer will comply with all security procedures, standards, and other requirements prescribed by Royal Bank and will notify Royal Bank immediately of any failure or inability to do so. The Customer will take any other steps reasonably necessary, including the maintenance of encryption standards, to protect against and prevent any threats, hazards, and unauthorized access to or use of the Services, Confidential Information, Electronic Channels, and Documents.

- 7.3 [Security Devices](#). The Customer is responsible for ensuring that Security Devices will only be provided to and used by Persons properly authorized on its behalf for such purpose in connection with the Services. The Customer will be bound by any use, including any actions or omissions resulting from the use, of any Security Device in connection with the Services, including any Document accessed, sent, received, accepted, or processed using an Electronic Channel.

The Customer recognizes that possession of a Security Device by a Person may result in the Person having access to, and being able to use, the Services and Confidential Information. The use of a Security Device in connection with any Service or Document is deemed to be conclusive proof that such use and Document is authorized by, and enforceable against, the Customer.

- 7.4 [Security Audits and Testing](#). Royal Bank and its Representatives may conduct periodic audits and tests of any Services and Electronic Channels used in connection with the Services, the Customer, and otherwise in connection with any Services, including to investigate any technical difficulties, security incidents, or deficiencies, or any actual or potential breach of security. Any Services or Electronic Channels may be temporarily unavailable during such audits and tests. The Customer will cooperate in connection with such audits and tests.
- 7.5 [Customer's Responsibility: Internal Procedures re Instruments and Accounts](#). The Customer will at all times have in place commercially reasonable procedures designed to prevent and detect losses due to forged or unauthorized signatures, fraud, alteration, duplication, counterfeit or theft in relation to Accounts, Services, Instruments or other Documents.
- 7.6 [Web Links](#). Where there are links from Royal Bank's websites to any other Person's website, Royal Bank does not make any representations or warranties about, and is not responsible for any Losses relating to, the other Person or the other Person's website, including website content, products, security services, privacy policies, procedures, guidelines, or practices and they do not alter or form part of any agreement or terms the Customer has with Royal Bank, now or in the future.

## 8. Additional Representations, Warranties, and Covenants

- 8.1 [Ongoing Representations](#). Each time a Service is used, the Customer implicitly represents, warrants, covenants, and agrees that:

- (i) this Agreement is and remains in full force and effect as a binding and enforceable agreement between Royal Bank and the Customer;
- (ii) the Customer, each of its Documents, and each use of the Services complies with this Agreement, Applicable Laws, its constating documents, and any by-laws, resolutions, or other applicable obligations;
- (iii) the Customer, each of its Documents, and each use of the Services complies with Royal Bank's policies, procedures, and guidelines which may be more rigorous than Applicable Laws, to the extent the Customer has notice of such policies, procedures, and guidelines;
- (iv) it has all licences, authorizations, consents, and approvals required under Applicable Laws, its constating documents, and any by-laws, resolutions, or other applicable obligations, including to enter into and perform its obligations under this Agreement, each of its Documents, and in connection with each use of the Services;
- (v) the entering into and performance of this Agreement, each of its Documents, and each use of the Services are within its powers, have been duly authorized by all necessary actions, and do not and will not conflict with any Applicable Laws, its constating documents or agreements, or any by-laws, resolutions, or other applicable obligations;
- (vi) the Customer and each Person using a Service on the Customer's behalf, including each Person specified in an Authorization Form and the Person's delegates, possess the necessary signing authority and other power and authority to bind the Customer or other Person if the Services are being used by, for, or on behalf of the other Person in accordance with Section 1.4 and any Document provided by the Customer to Royal Bank thereunder;
- (vii) the Customer is a legal entity duly organized, validly existing, duly qualified, and in good standing under Applicable Laws, including in the jurisdiction of its organization and in each jurisdiction where the Customer carries on business;
- (viii) any business name or trade name identified in this Agreement is solely owned by the Customer, and the Customer has all necessary rights, powers, and authorities for any use of a business name or trade name in connection with the Services;
- (ix) all information in this Agreement and any other Document provided to Royal Bank from time to time in connection with this Agreement or the Services, including regarding the Customer's ownership, control, and structure, is and will continue to be true, complete, and accurate in all respects, and the Customer will provide Royal Bank with at least thirty (30) days prior written notice of any change to such information, including notice of any change to any Authorization Form, the business or services provided by the Customer, or any breach of the Customer's representations, warranties, covenants, agreements, or other terms of this Agreement; and
- (x) for so long as the Customer is a client of Royal Bank or any affiliate, the Customer and each Person who is, or may be regarded as, a beneficial owner of any Account in the name of the Customer has filed and will continue to file truthfully all necessary tax returns, forms and disclosures with respect to all of the Customer's transactions and Accounts and each taxation authority having jurisdiction over the Customer's tax affairs by reason of the Customer's citizenship, residence or domicile. The Customer acknowledges and agrees that the Customer is responsible for the timely payment of any taxes owing to any taxation authority in relation to such Accounts.

## 8.2 [No Representations, Warranties, or Conditions by Royal Bank](#).

Except as expressly provided in this Agreement, Royal Bank disclaims all representations, warranties, and conditions of any kind, including any oral, implied, statutory, or other representations, warranties and conditions, and including warranties relating to quality, performance, infringement, merchantability, and fitness for a particular use or purpose. Royal Bank does not warrant that any Service will operate error free or without Disabling Codes or interruption.

## 9. Financial Crimes

9.1 [General](#). Each time a Service is used, the Customer implicitly represents, warrants, covenants and agrees that:

- (i) it is not, and the Services will not be used, directly or indirectly, by, for, or on behalf of, a Money Service Business (MSB), unless otherwise agreed to by Royal Bank in writing, or a Restricted Business;

- (ii) it does not and will not engage in dealings or transactions in, or with individuals or entities located in, countries in contravention of applicable economic sanctions administered or enforced by a Regulatory Authority;
- (iii) the Services will not be used, directly or indirectly, in any manner that evades or avoids, or has the purpose of evading or avoiding, or violates or attempts to violate, any Applicable Laws relating to economic sanctions, anti-bribery and corruption, anti-money laundering or anti-terrorist financing; and
- (iv) to the best of its knowledge, no Regulatory Authority or other Person has ever conducted any type of investigation related to any activity in contravention of Applicable Laws relating to economic sanctions, anti-bribery and corruption, anti-money laundering or anti-terrorist financing with regard to accounts or financial transactions of the Customer, or any accounts or financial transactions under the direct or indirect control of the Customer, including any Representative of the Customer or any other Person related to or affiliated with the Customer.

9.2 **Non-Public Bodies or Entities.** If the Customer is not a Public Body or a Publicly Traded Entity, each time a Service is used the Customer implicitly represents, warrants, covenants and agrees that:

- (i) none of the Customer, any Person related to or affiliated with the Customer, or any Representative of the Customer or a Person related to or affiliated with the Customer, has been accused or convicted of an offence related to economic sanctions, bribery or corruption, money laundering or terrorist financing;
- (ii) none of the assets of the Customer, any Person related to or affiliated with the Customer, or, to the best of its knowledge, of any Representative of the Customer or any Person related to or affiliated with the Customer, have been frozen or subject to seizure due to an allegation of a contravention of applicable economic sanctions, bribery or corruption, money laundering, terrorist financing, or other illegal activity involving accounts or financial transactions; and
- (iii) the composition of its ownership and control structure is not in contravention of

Applicable Laws, specifically with respect to shareholders connected to jurisdictions affected by Applicable Laws.

The foregoing does not apply with respect to routine and regular examinations of a Person by a Regulatory Authority in the normal and ordinary course of business, provided the Regulatory Authority has determined that the Customer, each Person related to or affiliated with the Customer, and each Representative of the Customer and each Person related to or affiliated with the Customer, is in full compliance with Applicable Laws relating to economic sanctions, anti-bribery and corruption, anti-money laundering, anti-terrorist financing, and other illegal activity.

## 10. Intellectual Property

10.1 **Ownership.** Royal Bank (or, if obtained under a lease or licence, the lessor or licensor) will retain all ownership rights in the Services, Service Materials and Royal Bank's Confidential Information, including any trademark, copyright, and other intellectual property rights. Royal Bank is also the owner of all intellectual property rights subsisting on each website owned or operated by or on behalf of Royal Bank. Unless otherwise indicated, trademarks, logos, and all works, including texts, images, illustrations, software, HTML codes, audio clips, and videos appearing on each website or otherwise in connection with any Services are Royal Bank's property. The trademarks, logos, and works may not be reproduced, republished, downloaded, posted, transmitted, distributed, or modified, in whole or in part, in any form whatsoever, except for the Customer's own non-commercial use, including viewing, printing, or archiving of electronic copies of the Customer's activities, in accordance with the terms of this Agreement and Royal Bank's instructions or as may be otherwise agreed in writing by Royal Bank. Nothing in this Agreement is to be interpreted as conferring a right to use Royal Bank trademarks, logos, or works in any other way.

10.2 **Licence.** The Customer is granted a non-exclusive, non-transferable, revocable, non-assignable, royalty-free, and limited license to use the Service Materials solely for the purpose for which they are provided in connection with the Services. Unless otherwise agreed in writing by Royal Bank, the Customer is not entitled to copy the Service Materials, or any portion thereof, except for its own non-commercial use in accordance with this Agreement and Royal Bank's instructions. The Customer will not disassemble, reverse engineer, or otherwise attempt to discover the

source code of any software included within any Service Materials. Royal Bank may terminate the Customer's licence to use the Service Materials at any time. The Customer's licence to use the Service Materials will end immediately on termination of:

- (i) the licence;
- (ii) the Service to which the licence relates; or
- (iii) the Agreement.

Immediately on termination, the Customer will return to Royal Bank, or at Royal Bank's option and request, securely destroy the Service Materials together with any copies that the Customer was using pursuant to the licence.

- 10.3 Publicity.** The Customer may not use Royal Bank's name or any of Royal Bank's trademarks or other intellectual property in any advertisement, brochure, public message, other marketing efforts or otherwise without Royal Bank's prior written consent.

## 11. Collection, Use, and Disclosure of Information

For purposes of this Section 11, the following defined terms will be used:

- (i) "**Customer**" means the Customer, its Representatives, and its owners; and
- (ii) "**Customer's affiliates**" means any Customer subsidiary or holding company and any Person in which any owner, partner, or holding company of the Customer has an equity or ownership interest.

- 11.1 Collecting Information.** Royal Bank may collect and confirm financial and other information about the Customer during the course of its relationship with the Customer, including information:

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

Royal Bank may obtain this information from any source necessary for the provision of the Services or OPS, including from:

- (i) the Customer;
- (ii) service arrangements made with or through Royal Bank;
- (iii) credit reporting agencies;
- (iv) other financial institutions;
- (v) registries; and
- (vi) references provided to Royal Bank.

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

- 11.2 Using Information.** All information collected by, and provided to, Royal Bank may be used and disclosed for the following purposes:

- (i) to verify the Customer's identity and investigate its background;
- (ii) to open and operate Accounts or provide other Services or OPS;
- (iii) to understand the Customer's financial situation;
- (iv) to determine, and make decisions about, the eligibility of the Customer or the Customer's affiliates for the Services or OPS;
- (v) to help Royal Bank better understand the current and future needs of Royal Bank's clients;
- (vi) to communicate to the Customer any benefit, feature, or other information about the Services or OPS;
- (vii) to help Royal Bank better manage its business and its relationship with the Customer;
- (viii) to maintain the accuracy and integrity of information held by a credit reporting agency; and
- (ix) as required or permitted by Applicable Laws.

For these purposes, Royal Bank may:

- (i) share the information with other Persons, including Royal Bank Representatives, Regulatory Authorities, and Persons the Customer requests;
- (ii) share the information with other financial institutions, and Persons with whom the Customer has financial or other business dealings, and
- (iii) give credit, financial, and other related information to credit reporting agencies, who may share it with other Persons.

In the event information is used or shared in a jurisdiction outside of Canada, the information

will be subject to, and may be disclosed in accordance with, the laws of such jurisdiction.

Royal Bank may also use the information and share it with its affiliates to:

- (i) manage its risks and operations and those of its affiliates;
- (ii) comply with valid requests for information from Regulatory Authorities or other Persons who have a right to issue such requests; and
- (iii) let its affiliates know the Customer's choices under Section 11.3 for the sole purpose of honouring the Customer's choices.

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

**11.3 Other Uses.** All information collected by, and provided to, Royal Bank may also be used and disclosed for the following purposes:

- (i) promoting the Services or OPS that may be of interest;
- (ii) where not prohibited by Applicable Laws, referring the Customer to Royal Bank's affiliates and for Royal Bank's affiliates to promote OPS that may be of interest; and
- (iii) if the Customer deals with Royal Bank's affiliates, Royal Bank and its affiliates may, where not prohibited by Applicable Laws, consolidate all of the information Royal Bank has with information any of its affiliates has about the Customer, in order to manage the business of, and relationships with, Royal Bank and its affiliates. The Customer acknowledges that as a result of such sharing, Royal Bank and its affiliates may advise each other of the Services or OPS provided. For the purposes described in subsections (i) and (ii), Royal Bank or its affiliates may communicate with the Customer through various channels, including mail, telephone, computer, or any other Electronic Channel, using the most recent contact information provided. The Customer may choose not to have the information shared or used for any of these "Other Uses" by contacting Royal Bank as set out in Section 11.5, and the Customer will not be refused credit or other services just for this reason.

**11.4 Online Activity.** Online activity information may also be collected in public and secure websites, owned or operated by or on behalf of Royal Bank or its affiliates, or in any of their advertisements hosted on another Person's websites, or from Services or OPS accessed through any Electronic Channel, using cookies and other tracking technology, and may use the Customer's online information in combination with other information Royal Bank has about the Customer to promote the Services or OPS, and to communicate information about Services and OPS that may be of interest to the Customer. The Customer may choose not to have this information collected or used for the online personalization purposes described in this Section by contacting Royal Bank as set out in Section 11.5.

**11.5 Contact Royal Bank.** The Customer may obtain access to its personal information with Royal Bank at any time, including to review its content and accuracy and have it amended as appropriate, except to the extent this access may be restricted as permitted or required under Applicable Laws. To request access to personal information or request the Customer's information not to be used as set out in Sections 11.3 or 11.4, the Customer may contact the Customer's main branch or call Royal Bank toll free at 1-800 ROYAL® 1-1 (1-800-769-2511). More information about Royal Bank's privacy policies may be obtained by asking for a copy of the "**Financial fraud prevention and privacy protection**" brochure, calling the toll free number shown above, or visiting the web site [www.rbc.com/privacysecurity](http://www.rbc.com/privacysecurity).

**11.6 Personal Information.** The parties will treat all personal information in accordance with Applicable Laws. From time to time, Royal Bank may request the Customer to take steps, including the entering into of additional Documents, to ensure the protection of personal information and compliance with all Applicable Laws. The Customer will promptly comply with these requests.

**11.7 Other Persons.** Royal Bank is not responsible for any Loss that occurs as a result of any use, including any unauthorized use, of information by any Person, other than Royal Bank and its Representatives to the extent agreed by Royal Bank in this Agreement.

**11.8 Consents, etc.** The Customer confirms that any necessary consent, approval, or authorization of any Person has been obtained for the purposes of collecting, using, and disclosing their information

in accordance with this Agreement and Applicable Laws.

- 11.9 [Additional Consent](#). The Customer's consents and agreements in this Agreement are in addition to any other consent, authorization, or preference of the Customer regarding the collection, use, disclosure, and retention of information.
- 11.10 [Royal Bank Information](#). The Customer will use the Services, Service Materials, and other Confidential Information of Royal Bank only for the purposes they are provided by Royal Bank, and will ensure that Royal Bank's Confidential Information is not disclosed to any Person except:
- (i) the Customer's Representatives who need to know such Confidential Information in connection with the Services, provided that such Representatives are informed of the confidential nature of such Confidential Information and agree to treat same in accordance with terms substantially the same as in this Agreement;
  - (ii) to the extent legally required, provided that, if not legally prohibited, the Customer will notify Royal Bank in writing prior to any such disclosure;
  - (iii) in accordance with this Agreement; or
  - (iv) as otherwise agreed in writing by Royal Bank.
- 11.11 [Remedies](#). In the event of a breach or anticipated breach by a party or its Representatives of the confidentiality obligations under this Agreement, irreparable damages may occur to the other party and the amount of potential damages may be impossible to ascertain. Therefore, a party may, in addition to pursuing any remedies provided by Applicable Laws, seek to obtain equitable relief, including an injunction or an order of specific performance of the other party's confidentiality obligations under this Agreement.

## 12. Joint Banking

- 12.1 [Banking](#). Each Person provided Joint Banking may exercise and delegate all rights, powers and authorities, incur liabilities and obligations, and otherwise conduct and transact any business whatsoever on behalf of each other Person.
- 12.2 [Individuals](#). Joint Banking held by Persons that are individuals are held by the Persons as joint tenants with the right of survivorship (except in the Province of Quebec).

Quebec Only: Individual Customers who hold a joint Account in Quebec with a spouse, solely, may declare their respective ownership in the balance of the Account. If a Customer does not

make a spousal declaration of ownership, the ownership in the balance of the Account will default to 50%. Individual joint Account holders can jointly make changes to their spousal declaration of ownership at any time while both Account holders are alive. Upon the death of one individual joint Account holder, the surviving spouse's share in the balance of the Account will be paid out:

- (i) upon written request by the surviving spouse, or
- (ii) when the liquidator of the deceased joint account holder requests in writing to pay out the estate's share in the balance of the Account.

For the purpose of this section 12.2 for a Quebec spousal declaration of ownership, a "spouse" is defined as a Person who is married, is in a civil union or is a de-facto spouse, and includes a former spouse.

- 12.3 [Documents](#). All Documents by, for, or on behalf of any one or more of the Persons in connection with Joint Banking, will be valid and binding on each of the Persons jointly and severally (in Quebec, solidarily), and Royal Bank is hereby authorized to act on them and give effect to each of them. The endorsement or signature by or on behalf of any Person provided Joint Banking by any means on any Document deposited with or drawn on Royal Bank will be binding on each of the other Persons to the same extent and with the same effect as if the Document had been manually endorsed or signed by each of the other Persons. If the withdrawal or order for the transfer of funds or the use of a Security Device by any Person results in borrowing money from Royal Bank, all such transactions are expressly approved by the other Persons. Royal Bank may stop payment on any Instrument when any one of the Persons issues a stop payment order.
- 12.4 [Addition](#). If a Person is to be added to any Joint Banking, Royal Bank must be provided at least thirty (30) days' prior written notice. The addition will be effective from the date the notice has been acknowledged in writing by each branch or agency of Royal Bank where all of the Joint Banking is located. Royal Bank has the discretion to accept, reject, or terminate the addition of a Person to any Joint Banking at any time. If a new Person is provided any Joint Banking, including by virtue of its legal relationship to any other Person, this Agreement will be binding on that new participant as if it is a direct signatory hereto, and each Person will immediately:

- (i) provide to Royal Bank any and all information, evidence, or other Documents which Royal Bank requests in connection with any Service, including to verify compliance with this Agreement; and
- (ii) execute any Document and do or cause to be done all acts reasonably necessary to implement and carry into effect this Agreement to its full extent.

- 12.5 **Removal.** If a Person is to be removed from any Joint Banking, Royal Bank must be provided at least thirty (30) days' prior written notice. Removal will be effective only from and after the date the notice has been acknowledged in writing by each branch or agency of Royal Bank where all of the Joint Banking is located. At Royal Bank's sole option, this Agreement or any Joint Banking may be terminated on removal of any Person.
- 12.6 **Account Closure.** Royal Bank may close any Joint-Banking Account on the instructions of any Person being provided the Account. Royal Bank will pay the instructing Person any funds on deposit in the closed Account.
- 12.7 **Joint and Several Liability.** Each Person provided Joint Banking is jointly and severally (solidarily in Quebec) liable to Royal Bank for all debts, liabilities and other obligations relating to the Joint Banking, including the repayment of any loan or overdraft and interest, fees and charges, regardless of which Person created the obligation.
- 12.8 **Disclosure of Information.** Each Person provided Joint Banking, including any added Person, may have access to all information relating to each other Person and the Joint Banking, including all Accounts, Services and credit details including historical information. Each Person consents to this disclosure of its information.
- 12.9 **Notices (Joint Banking).** The delivery, in accordance with this Agreement, of any Document relating to Joint Banking to any one Person being provided the Joint Banking, will be considered delivery to all of the Persons being provided the Joint Banking. The receiving Person is responsible for informing all of the other Persons of any Document delivered by Royal Bank.
- 12.10 **Confirmation.** The Customer confirms it is bound by these terms in connection with any Joint Banking provided to the Customer, and its acceptance of this Agreement (either by signature or by use of any Joint Banking):
- (i) confirms the obligations, responsibilities,

representations and warranties of the Customer and each other Person provided the Joint Banking; and

- (ii) constitutes obligations, responsibilities, and representations and warranties of all of the Persons provided the Joint Banking, including the Customer, on a joint and several basis.

### 13. Partnerships

- 13.1 **Joint and Several Liability – General Partnership or Limited Liability Partnership.** If the Customer is a general partnership or a limited liability partnership or equivalent, every obligation of the Customer to Royal Bank under this Agreement or otherwise will also be the separate and individual obligation of each of the partners of the Customer who will be jointly and severally (solidarily in Quebec) bound to Royal Bank for the performance of those obligations whether or not such obligations are contracted for the service or operation of an enterprise of the Customer.
- 13.2 **Joint and Several Liability – Limited Partnership.** If the Customer is a limited partnership, every obligation of the Customer to Royal Bank under this Agreement or otherwise will also be the separate and individual obligation of each general partner of the Customer who will be jointly and severally (solidarily in Quebec) bound to Royal Bank for the performance of those obligations.
- 13.3 **Signing Authority, General Partnership or Limited Liability Partnership.** If the Customer is a general partnership or a limited liability partnership or equivalent, and the Customer has authorized one or more Persons, which are not all of the partners, to exercise and delegate rights, powers, and authorities on behalf of the Customer, including to incur liabilities, assume obligations, and otherwise conduct business, then all matters and dealings of the Customer with Royal Bank by such Person or Persons, in accordance with such authorization, will legally bind the Customer and each partner of the Customer. The representations, warranties, covenants, and agreements set out in Section 8.1 are made by each partner of the Customer each time a Service is used.
- 13.4 **Dissolution.** If the Customer is dissolved for any reason and if any of the power or authority set out in this Agreement continues to be exercised, then all actions taken after such dissolution by any partner of the Customer before such dissolution will be binding on the Customer and each partner (in the case of a general partnership



or limited liability partnership) or general partner (in the case of a limited partnership) of the Customer and its heirs, executors, administrators, successors, or assigns, until notice of the dissolution is received and duly acknowledged in writing by each branch or agency of Royal Bank where the Customer has an Account, as if the dissolution had not occurred.

**13.5 [Termination.](#)** Any of the Customer, a partner (in the case of a general partnership or a limited liability partnership), a general partner (in the case of a limited partnership), or its heirs, executors, administrators, successors or assigns may terminate this Agreement in accordance with Section 16.

**13.6 [Changes in Partnership.](#)** This Agreement will not be revoked by a change in the constitution of the partnership, limited liability partnership, or limited partnership, as the case may be, and will be binding on any Person which may be formed from time to time as a successor to the Customer and on each partner or general partner of the Customer who may be a partner or general partner, shareholder, or member in any such new Person, to the same extent and with the same effects as if each such new Person and every partner, general partner, shareholder, or member had signed this Agreement.

**13.7 [New Partner – General Partnership or Limited Liability Partnership.](#)** If the Customer is a general partnership or a limited liability partnership and any new partner is admitted to the Customer, then this Agreement will be binding on that new partner and on the Customer as if the new partner had signed this Agreement.

**13.8 [New Partner – Limited Partnership.](#)** If the Customer is a limited partnership and any new general partner is admitted to the Customer, then this Agreement will be binding on that new general partner and on the Customer as if the new general partner had signed this Agreement.

## 14. Liability and Disputes

**14.1 [Disclaimer of Liability.](#)** Royal Bank is not responsible for any Losses, except to the extent caused directly by Royal Bank's negligence or wilful misconduct and subject to other limitations under this Agreement.

**14.2 [Additional Limitations.](#)** Even where Royal Bank is negligent, and regardless of the cause of action, Royal Bank is not responsible for any Losses that are indirect, consequential, special, aggravated, punitive, or exemplary damages (including lost profits, business interruption, loss of data,

information, opportunity, revenues, goodwill or any other commercial or economic loss). Even where Royal Bank is negligent, and regardless of the cause of action, Royal Bank is also not responsible for any Losses resulting from any of the following:

- (i) the actions of, or failure to act by, any other Person except for Royal Bank's Representatives who are acting in accordance with Royal Bank's specific instructions;
- (ii) mistakes or errors in, omissions from, inaccuracy or inadequacy of, or delays with:
  - (A) any Document provided to Royal Bank or its Representatives; or
  - (B) any Document or data imported or exported by the Customer or by Royal Bank on the Customer's request;
- (iii) the Customer, including any of its Representatives:
  - (A) failing to comply with this Agreement or any other Document applicable to the Services;
  - (B) engaging, either alone or with others, in any fraudulent, unlawful, dishonest, or other improper acts or omissions;
  - (C) carrying out a transaction, including if the transaction is the result of any mistake or errors in, omissions from, inaccuracy, or other inadequacy of, or delays with any Document provided to Royal Bank or its Representatives;
  - (D) disclosing or sharing, or agreeing to the disclosure or sharing of, a Security Device with any Person;
  - (E) making, consenting, authorizing, or contributing to, or otherwise being responsible for, or benefiting from a transaction;
  - (F) failing to take measures to protect against and prevent the Losses, including by using an Electronic Channel that it knows or reasonably ought to know contains software that has the ability to reveal to an unauthorized Person, or to otherwise compromise, any Security Device;
  - (G) leaving Royal Bank's website and linking to and from any other Person's website; or
  - (H) failing to adequately cooperate with Royal Bank in a related investigation; in each case, as determined by Royal Bank, acting reasonably;

- (iv) anything beyond Royal Bank's control, including Losses resulting from:
  - (A) Force Majeure,
  - (B) any delay, error, interruption, or failure by Royal Bank to perform or fulfill its obligations due to any cause beyond Royal Bank's control, including any systems malfunction, technical failures, or if a Document retrieved by Royal Bank is not timely, complete, or accurate; or
  - (C) any communication facilities or Electronic Channels that are not under Royal Bank's control, including communication facilities that may affect the timeliness, completeness, or accuracy of a Document or that may cause a delay in the retrieval or presentation of any Document;
- (v) any missing, incomplete, forged, altered, duplicate, counterfeit, unauthorized, or fraudulent endorsement of any Instrument;;
- (vi) Royal Bank relying or acting on any Document, including a Document accessed, sent, received, accepted, or processed through an Electronic Channel, pursuant to this Agreement; or
- (vii) the transmission of any Disabling Code or other destructive or contaminating properties through an Electronic Channel, or any related damage to any computer systems.

**14.3 [Waiver and Release.](#)** Royal Bank makes available certain Services and Service features which are intended to detect and deter forged, fraudulent, altered, duplicate, counterfeit, incomplete or unauthorized Instruments. If the Customer does not implement any of these Services or Service features, the Customer is precluded from making any claim against Royal Bank for a forged, fraudulent, altered, duplicate, counterfeit, incomplete or unauthorized Instrument that such Service or Service feature is intended to deter or detect, and Royal Bank will not be responsible for the Instrument or any related Losses.

**14.4 [Third Party Disputes.](#)** Except as otherwise provided in this Agreement, Royal Bank is not responsible for any Dispute the Customer may have with any other Person, including its clients, payees, or creditors or any Beneficiary, as a result of this Agreement or any Service. The Customer assumes full responsibility for resolving any such Dispute directly with the Person in a manner that does not adversely affect Royal Bank. Royal Bank is not responsible if the Person:

- (i) does not credit the Customer for an Instrument for whatever reason;
- (ii) charges the Customer fees or penalties related to an Instrument; or
- (iii) does not supply the goods or services purchased or if the goods or services supplied are not suitable.

**14.5 [Indemnity.](#)** Except to the extent caused directly by Royal Bank's negligence or wilful misconduct, the Customer indemnifies and holds harmless Royal Bank from and against any Losses in connection with this Agreement, the Services, or any other dealings between Royal Bank and the Customer.

**14.6 [Notice of Claim.](#)** The Customer will, if not legally prohibited, immediately notify Royal Bank, verbally and in writing, of any Loss or Dispute which it becomes aware of in connection with this Agreement or any Service.

## 15. Changes

**15.1 [New Services.](#)** When a new service is offered by Royal Bank, the service is deemed to be a "Service" under this Agreement, and subject to the terms and conditions of this Agreement, immediately when the Customer is enrolled in, authorized for, or uses the service, without any other action required by the Customer, Royal Bank, or any other Person.

**15.2 [Changes to Services.](#)** Royal Bank may add, remove, or change any part or feature of the Services without providing notice to the Customer.

**15.3 [Changes to Agreement.](#)** Royal Bank may at any time amend, supplement, restate, or otherwise change this Agreement by giving the Customer notice of the change through announcements in Royal Bank's website for the Services or otherwise by giving the Customer notice in accordance with Section 17.3. If the affected Services are used after the date of the notice of change or effective date of the change, whichever is later, the Customer is deemed to have agreed and consented to the change. If any change is not acceptable to the Customer, the Customer must immediately stop use of the affected Services and contact Royal Bank for assistance. The Customer agrees to be bound by the latest version of the Agreement, including the Schedules and Service Materials from time to time made available on Royal Bank's website for the Services, or otherwise provided to the Customer. The Customer agrees to regularly review these and any notice of change outlined above.

## 16. Termination

- 16.1 [Termination of Service](#). Royal Bank or the Customer may terminate any Service at any time by giving the other written notice at least thirty (30) days prior to the effective date of termination, or as otherwise mutually agreed in writing by the parties.
- 16.2 [Termination of Agreement](#). Royal Bank or the Customer may terminate this Agreement at any time by giving the other written notice at least thirty (30) days prior to the effective date of termination, or as otherwise mutually agreed in writing by the parties. For greater certainty, termination of this Agreement will result in termination of all of the Services at the same time.
- 16.3 [Immediate Termination](#). Royal Bank may immediately suspend or terminate any Service or this Agreement, in whole or in part, without prior notice, if:
- (i) required by Applicable Laws or a Regulatory Authority;
  - (ii) there is, has been, or Royal Bank has reasonable grounds to anticipate, a security breach or breach of Applicable Laws in connection with the Services;
  - (iii) there is, has been, or Royal Bank has reasonable grounds to anticipate, a breach of this Agreement or any other Document applicable to the Services which is, in Royal Bank's discretion, incapable of being cured to Royal Bank's satisfaction, or, if curable, is not cured to Royal Bank's satisfaction within thirty (30) days of notice of such breach having been provided by Royal Bank to the Customer;
  - (iv) an event of Force Majeure continues for a period of thirty (30) consecutive days;
  - (v) any proceedings are commenced, an order is made by a court of competent jurisdiction, or resolution of the directors or shareholders of the Customer is passed for the dissolution, winding-up, or liquidation of the Customer; or
  - (vi) Royal Bank determines, in its discretion, there has been a material adverse change in the financial condition of, including an Act of Insolvency by, the Customer or any other Person which could affect the Services.
- 16.4 [Suspension or Termination of Services](#). Suspension or termination of any Service under this Agreement will not terminate, negate, or lessen any of the Customer's responsibilities or

obligations under this Agreement, and suspension or termination of any Service will not impair any of Royal Bank's rights under this Agreement.

- 16.5 [Effect of Termination](#). Upon termination of any Service or this Agreement for any reason, the Customer will, within thirty (30) days of the termination, provide Royal Bank with payment instructions in accordance with the requirements specified by Royal Bank relating to any remaining foreign currency balances in any applicable Account. If the Customer fails to provide the payment instructions, Royal Bank may convert any remaining foreign currency balances into Canadian dollars at the rate of exchange established by Royal Bank at the time of conversion.
- 16.6 [Survival](#). Termination of any Service or this Agreement will not affect the rights and remedies of each party accrued to the date of termination, nor will it affect any provision of this Agreement which, by its nature, should apply after termination.

## 17. Miscellaneous

- 17.1 [Alerts](#). Royal Bank may alert the Customer about certain security or service activity relating to the Services or OPS by notifying the Customer in the RBC Express Message Centre or RBC Edge, as applicable, and/or using other Electronic Channels, including by email, text message, or push notification to an Electronic Channel. The Customer may be able to select the type of alerts they want to receive and the Electronic Channels they want used for certain alerts, subject to availability and User Permissions. The Customer may also be able to control alerts with settings in Electronic Channels, and may be required to adjust the settings in Electronic Channels in order to enable or disable certain alerts.

The availability, type, timing, and delivery of alerts are in Royal Bank's sole discretion, and Royal Bank does not guarantee the availability, type, timing, or delivery of alerts. Some alerts may require action by the Customer, including requiring the Customer to log in to RBC Express, RBC Edge or other Electronic Channel as applicable. Alerts are provided for convenience and information purposes only, and should not be relied on for any other purpose. Alerts sent by email, text message, push notification, or other unencrypted Electronic Channel are not secure, reliable, private, encrypted, or confidential and can be read by other Persons if they have access to the Customer's email account or are able to

view the Customer's Electronic Channel. Alerts may not be available in locations outside of Canada.

The Customer is responsible for all fees and charges incurred in connection with such alerts, including any additional fees, charges, taxes, or other amounts payable to other Persons, including for messaging and data charges resulting from using mobile banking or other Electronic Channels in connection with alerts. If the Customer uses Services or OPS on an Electronic Channel that does not belong to the Customer, the Customer's information will be disclosed on that Electronic Channel if the Customer has enabled any Information Preview options or if the push notification option has been enabled through settings in that Electronic Channel.

**17.2 [Information Preview.](#)** If the Customer enables the Information Preview options in an Electronic Channel, the Customer understands and agrees that they will be able to automatically see certain information without having to provide their Security Device. If the Customer permits other Persons to use, share, or see the Customer's Electronic Channel, such other Persons may be able to see the Customer's information. The Customer can turn off the Information Preview options at any time. Information Preview is provided for convenience and information purposes only.

**17.3 [Delivery of Documents.](#)** Any Document, including any disclosure or notice of change to this Agreement, may be delivered using one or more means of communication, which may include:

- (i) delivery in paper form; or
- (ii) delivery in electronic form using any Electronic Channel, including posting on Royal Bank's website.

Any Document in paper or electronic form will be deemed to have been given and received on the day that it is made available to the Customer, or the day of delivery or posting, if made available, delivered or posted before 4:00 p.m. (Toronto time) on a day Royal Bank is open for business to the public in Toronto, Ontario. Otherwise, any such Document will be deemed to have been given and received on the next following day Royal Bank is open for business to the public in Toronto, Ontario. Documents will be delivered to the Customer using the most recent contact information for the Customer held by Royal Bank. The Customer will provide prior written notice to Royal Bank of any changes to the contact

information contained in Royal Bank's records. If Royal Bank is unable to deliver any Document or any Document is returned, Royal Bank may, in its discretion, stop attempting to communicate with the Customer until Royal Bank receives accurate contact information from the Customer.

**17.4 [Electronic Documents and Consent.](#)** The Customer designates the message centre on RBC Edge as its designated information system, and consents to the provision by Royal Bank, and receipt by the Customer, of any Document through that Electronic Channel. If there is no message centre available on RBC Edge or if the Customer is not enrolled in RBC Edge, the Customer designates the RBC Express Message Centre as its designated information system, and consent to the provision by Royal Bank, and receipt by the Customer, of any Document through that Electronic Channel. Where the Services provided to the Customer do not include RBC Express or RBC Edge, the Customer designates its Online Banking Message Centre as its designated information system.

Where the Services provided to the Customer do not include RBC Edge, RBC Express or Online Banking, the Customer designates either:

- (i) facsimile (at the facsimile number provided by the Customer); or
- (ii) electronic mail (at the e-mail address provided by the Customer) as its designated information system.

The Customer recognizes that:

- (i) the Customer may revoke its consent under this provision at any time, in whole or in part if the option to partially revoke is provided by Royal Bank;
- (ii) the Customer is responsible for informing Royal Bank of any changes to a designated information system where Royal Bank is in a position to accept such instructions at Royal Bank's discretion, and of any changes to the contact information related to any designated information system;
- (iii) any Document will be held in accordance with Royal Bank's enterprise record retention policy, and will be made available to the Customer during the applicable retention period;
- (iv) the Customer is responsible for retaining a copy of each Document; and
- (v) this consent takes effect immediately. Royal Bank may provide the Customer with any Document in paper form if Royal Bank deems appropriate, or if Royal Bank

is unable to provide the Document in electronic form through the Electronic Channels at the above-noted designated information systems. The Customer is responsible for accessing the designated information system on at least a monthly basis, if applicable, in order to check for any notices provided pursuant to this Section.

- 17.5 **Default.** The Customer will be in default by the mere lapse of time fixed for performing an obligation.
- 17.6 **Multiple Parties.** If the Customer is more than one Person, each Person is jointly and severally (solidarily in Quebec) liable to Royal Bank for all debts, liabilities, and other obligations of the Customer.
- 17.7 **Successors and Assigns.** Each of this Agreement and any of the Services may not be assigned by the Customer, either in whole or in part, unless agreed in writing by Royal Bank. This Agreement will constitute the continuing consent and agreement of the Customer, and will bind and enure to the benefit of each party and its heirs, executors, liquidators of successions, administrators, and other legal representatives, successors, and assigns.
- 17.8 **Conflicts.** If there is any inconsistency between any Service Materials and this Agreement, the Service Materials will prevail to the extent of any inconsistency for the applicable Service. Any prior Document governing a Service is deemed to be incorporated in this Agreement. This Agreement will prevail to the extent of any inconsistency with a prior Document, unless Royal Bank determines, in its discretion, the prior Document should prevail in whole or in part.
- 17.9 **No Waivers.** No delay or omission by either party to exercise any right or power it has under this Agreement will impair or be construed as a waiver of such right or power. No waiver of any provision of this Agreement will be effective unless agreed in writing by Royal Bank.
- 17.10 **No Agency, Trust, or Partnership.** This Agreement does not create any agency, trust, joint venture, or partnership relationship between the parties or between Royal Bank and any other Person, including any Beneficiary. Nothing in this Agreement will confer on the Customer or any Person the authority to act for, bind, create, or assume any obligation or responsibility, or make any representation, on behalf of Royal Bank.
- 17.11 **No Fiduciary Relationship.** This Agreement does not create any fiduciary obligations or relationship between the parties. The Customer understands and acknowledges the merit and risk associated with this Agreement and each Service, and acknowledges it has sufficient knowledge and experience to evaluate and assume such merit and risk. The Customer will not construe any information provided by Royal Bank as legal, tax, investment, financial, or business advice or counsel. The Customer is relying on the advice of its own advisors and counsel, which are unaffiliated with Royal Bank, for purposes of entering this Agreement and using any Service.
- 17.12 **No Third Party Beneficiaries.** This Agreement is only for the benefit of Royal Bank and the Customer, and is not intended to confer any legal rights, benefits, or remedies on any other Person except to the extent otherwise provided in this Agreement. There are no third party beneficiaries to this Agreement.
- 17.13 **Further Assurances.** Immediately on request by Royal Bank, the Customer will:
- (i) provide to Royal Bank any and all information, evidence, and other Documents which Royal Bank requests in connection with any Service, including to verify compliance with this Agreement; and
  - (ii) execute any Document and do or cause to be done all acts reasonably necessary or desirable to implement and carry into effect this Agreement to its full extent.
- 17.14 **Severability.** Any provision of this Agreement that is or becomes unenforceable, will be unenforceable only to the extent of such unenforceability without invalidating the remaining provisions hereof. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement and such invalid provision will be deemed to be severable. The Customer waives any provision of Applicable Laws that may render any provision hereof unenforceable in any respect.
- 17.15 **Governing Law and Jurisdiction.** This Agreement will be made in and exclusively governed by the laws of the Province or Territory in which the Services are used by the Customer, or, if the Services are used by the Customer outside of Canada or in multiple jurisdictions, this Agreement will be exclusively governed by the laws of the Province of Ontario. The Customer irrevocably submits to the courts of the Province

or Territory specified above in any action or proceeding arising out of or relating to this Agreement or the Services. The Customer irrevocably agrees that all such actions or proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defence of an inconvenient forum. The Customer agrees that a judgement or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by Applicable Laws. Royal Bank may serve legal process in any manner permitted by Applicable Laws or may bring an action or proceeding against the Customer or the property or assets of the Customer in the courts of any other jurisdiction.

- 17.16 **Counterparts.** This Agreement may be entered in parts and each part may be entered using an Electronic Channel. Together all parts constitute one and the same Agreement, and each will be deemed to be an original.
- 17.17 **Contact.** If the Customer has any questions or concerns, the Customer may contact the Customer's home branch or call Royal Bank toll free at 1-800 ROYAL® 1-1 (1-800-769-2511).
- 17.18 **Language.** The Customer acknowledges it was offered the choice to enter into the Agreement in English or French. The Customer has selected to enter into the Agreement in English, after being provided with the French version. Therefore, the Customer agrees that this Agreement and all related documents, including notices, will be in English only. *Le client reconnaît qu'il lui a été offert le choix de conclure le contrat en anglais ou en français. Le client a choisi de conclure le contrat en anglais, après en avoir reçu la version française. Par conséquent, le client accepte que le contrat et tous les documents qui s'y rattachent, y compris les avis, soient rédigés en langue anglaise seulement.*

## PART B – ADDITIONAL TERMS FOR SPECIFIC SERVICES

This Part of the Agreement contains terms for specific Services which may or may not be used by the Customer at the time the Customer enters into the Agreement. The terms for each of these Services will become applicable to the Customer when the Customer is enrolled in, authorized for, or uses the Service.

### 18. Accounts

- 18.1 **Overdrafts.** Unless otherwise agreed by Royal Bank, and notwithstanding any prior course of conduct, Royal Bank may, but will have no

obligation to, honour, and Royal Bank may at any time in its discretion refuse to honour, any Instrument which, if honoured, might overdraw an Account or increase an overdraft in an Account. The Customer will pay to Royal Bank, on demand, the amount of any overdraft in an Account, together with interest. The rate of interest payable on any overdraft in an Account will be Royal Bank Prime Rate plus 5% for Canadian dollar Accounts, and US Base Rate plus 5% per annum for US dollar Accounts, or the rate otherwise agreed to in writing by Royal Bank and the Customer. The interest will accrue daily on the basis of a 365 day year and will be calculated and payable monthly. For the purposes of the Interest Act (Canada), if a rate of interest is or is to be calculated on the basis of a period which is less than a full calendar year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by the actual number of days in the calendar year for which such calculation is made and divided by the number of days in such period.

- 18.2 **Credit Balances.** Unless otherwise agreed in writing by Royal Bank, amounts standing to the credit of an Account will not bear interest. Royal Bank may at any time, in its sole discretion and upon prior notice to the Customer, charge interest on deposits to the Accounts.
- 18.3 **Electronic Statements.** Royal Bank may, in its discretion, provide Account statements in paper or electronic form using any Electronic Channel. The Customer is responsible for ensuring that each electronic statement is accessed and reviewed regularly in accordance with this Agreement. Royal Bank is under no obligation to provide the Customer or any other Person with notice of the availability of the electronic statement. Royal Bank is not responsible for any Losses resulting from the Customer's failure to receive electronic statements as a result of any Accounts not being electronically enrolled or if the Customer fails to notify Royal Bank of non-receipt in accordance with this Agreement.
- 18.4 **Hold Policy.** Funds for cheques and other Instruments deposited to an Account may not be accessible immediately. The length of the hold period can vary depending on the location of the issuing financial institution. In general, the length of the hold period is:
- (i) five (5) business days, or any shorter period required by law, for cheques and other Instruments in Canadian or US currency drawn on a Canadian branch of a Canadian financial institution;

- (ii) fifteen (15) business days for cheques and other Instruments drawn on a US financial institution; and
- (iii) twenty-five (25) business days for cheques and other Instruments drawn on a foreign financial institution other than in the US. After the hold period, the Customer may access the funds in the normal course. However, Royal Bank's release of funds to the Customer does not mean that the cheque or other Instrument cannot be returned. If the cheque or other Instrument is returned after the hold period, Royal Bank may charge the amount of the cheque or such other Instrument to the Account. For these purposes, the term "business day" means regular weekdays only and excludes Saturdays, Sundays, and holidays under Applicable Laws.

**18.5 Trust Funds.** The Customer continuously represents, warrants, covenants, and agrees that there are no funds in any Account which are subject to a trust or ownership interest in favour of any other Person (a "**Beneficiary**"), except to the extent Royal Bank has agreed to the use of the Account for such purpose, and Royal Bank has coded the Account as a trust account in its records. If an Account contains trust funds, the Customer represents, warrants, covenants, and agrees that:

- (i) the Customer has the legal capacity and power, authority, and discretion to deposit the trust funds in the Account and provide any other instructions regarding any trust funds or Account, including with respect to the deposit, investment, and withdrawal of the trust funds and the opening, operating, and closing of any Account, and that this power, authority, and discretion may be delegated by the Customer to any Person, including as specified in any Authorization Forms, Service Materials, or other Document held by Royal Bank;
- (ii) the Customer is in compliance, and will comply, with all Applicable Laws and other obligations, including those applicable to any trust funds, Account, or Beneficiary;
- (iii) Royal Bank does not have knowledge of, and is not bound to see to the execution of, any trust, Applicable Laws, or other obligation to which any trust funds, Account, or Beneficiary is subject;
- (iv) the Customer will ensure that each Account containing trust funds will be designated and coded as a trust account

in the records of Royal Bank and the Customer. The Customer will keep all trust funds separate and apart from any other funds, investments, or other assets of the Customer, and will ensure they are not comingled, to the extent required by any Applicable Laws or other obligation. The Customer will keep the trust funds segregated for each Beneficiary to the extent required by any Applicable Laws or other obligation;

- (v) no trust funds or Account will be used, directly or indirectly, for any Person other than as described herein and no Person other than the Customer and its delegates pursuant to subsection (i) above may provide instructions with respect to any Account containing trust funds; and
- (vi) the Customer will not permit any pledge or assignment of, or security interest (including hypothecs and assignments) against, any trust funds, Account, or any related Instrument, except to the extent agreed in writing by Royal Bank.

The eligibility of trust funds for separate CDIC coverage per Beneficiary is subject to the Customer's compliance with the applicable by-laws and other requirements of CDIC. CDIC by-laws prescribe the time, form, and manner in which the Customer must disclose the interest of a Beneficiary to Royal Bank. The Customer should visit [cdic.ca](http://cdic.ca) or call 1-800-461-2342 for details. Royal Bank is not responsible for ensuring that such CDIC coverage requirements are met, and Royal Bank makes no representation in this regard.

The Customer will direct Royal Bank as to what investments are required for any trust funds in accordance with Applicable Laws and other applicable obligations. Subject to the Customer's direction, trust funds deposited in an Account may pay interest through GICs of varying terms or other interest-bearing deposits offered to the Customer by Royal Bank from time to time. Royal Bank will rely on the Customer's direction respecting the investment of trust funds. If payable, interest will be credited to an Account in accordance with the type of GIC or other deposit held in the Account, and on the termination of the Account. Unless otherwise agreed in writing by Royal Bank, Royal Bank will automatically renew any GIC or other investment on maturity and on each succeeding maturity date for the term originally or most recently instructed by the Customer. The amount re-invested will be

the original amount of trust funds deposited, plus all paid interest to the maturity date. The withdrawal of trust funds in an investment, and the cancellation of a GIC or other investment prior to its maturity, is subject to the terms of the investment or Royal Bank's discretion. The Customer will provide any Document requested by Royal Bank for such purpose, in form and substance satisfactory to Royal Bank. None of Royal Bank or its Representatives will be responsible for any Losses arising in connection with any trust funds or Beneficiary. The Customer will pay, indemnify, and hold harmless Royal Bank and its Representatives for, all Losses arising in connection with any trust funds, Account, or Beneficiary, including in connection with any Instrument or any other deposit, investment, or withdrawal of the trust funds which does not comply with any Applicable Laws or other applicable obligation.

- 18.6 **Fluctuations.** Unless otherwise agreed in writing by Royal Bank, the Customer agrees to advise Royal Bank by (i) 10:00 a.m. Pacific Time if the Customer's Account is located in Pacific or Mountain time zones; or (ii) 11:00 a.m. Eastern Time if the Customer's Account is located in any other time zone, on the same business day of any fluctuations that would cause the Customer's end of day Account balance to increase or decrease by Twenty-Five Million Canadian Dollars (CAD \$25,000,000) or more.

## 19. Debit Blocking

- 19.1 **Definitions.** Capitalized terms used for this Service that are defined in CPA Rule H1 have the meanings given in that Rule.
- 19.2 **Enrolment Period.** It may take up to 10 days (the "Enrolment Period") for this Service to commence following Royal Bank's execution of the applicable Service Materials. No cheques or Business PADs drawn on an Account will be returned by Royal Bank during any Enrolment Period.
- 19.3 **Automatic Returns.** The Customer will not have an opportunity to review any cheque or Business PAD before it is automatically returned by Royal Bank as dishonoured pursuant to this Service.
- 19.4 **Cheques and Business PADs Only.** Except for cheques and Business PADs returned by Royal Bank pursuant to this Service, no other Instrument or other debit drawn on an Account, including any Cash Management PAD or Funds Transfer PAD, will be returned by Royal Bank as part of this Service.

- 19.5 **Applicable Laws.** The Customer represents, warrants, covenants, and agrees that it is in compliance, and will comply, with all Applicable Laws, including with respect to the stop payment of any cheque and the revocation of its authority for any Business PAD if required in connection with this Service.

- 19.6 **Future Assurance.** Immediately on request by Royal Bank, the Customer will provide an affidavit in connection with the return of a fraudulent cheque or a Reimbursement Claim in connection with the return of a Business PAD.

## 20. Credit

- 20.1 **Authorizations.** The Customer represents, warrants, covenants, and agrees that each Person who borrows or establishes credit on the Customer's behalf, or uses a Service which results in borrowing by the Customer or the provision of credit to the Customer, has been properly authorized by all necessary actions to:

- (i) borrow or obtain credit from Royal Bank in such amounts and on such terms as the Person deems appropriate, whether by loan, advance, overdraft, or by any other means;
- (ii) mortgage, hypothecate, charge, pledge, convey, assign, transfer, or create a security interest in any or all of the property, real and personal, immovable and moveable, undertakings, and rights of the Customer, present and future, to secure the payment and performance of any or all present and future liabilities and obligations to Royal Bank;
- (iii) enter into financial leases with Royal Bank; and
- (iv) guarantee the obligations of any other Person to Royal Bank.

- 20.2 **No Restrictions.** The Customer represents, warrants, covenants, and agrees that there are no provisions under Applicable Laws, its constituting documents, or any by-laws, resolutions, or other applicable obligations that restrict or limit the Customer, or any Person on the Customer's behalf, from exercising any of the rights, powers, or authorities described in Section 20.1.

## 21. Night and Day Depository

- 21.1 **Deposits.** Deposits must be made using a type of bag that is pre-approved by Royal Bank and secure. A deposit will only contain notes, coins, cheques, or other Instruments. Each deposit must be accompanied by an itemized deposit slip, in duplicate, visibly listing its contents and showing



separately the amount represented by Canadian or US dollar notes, coins, and other Instruments.

- 21.2 **Delivery.** Each deposit will be dropped or delivered, properly sealed, in a designated deposit chute or depository at certain Royal Bank branches. Deposits may also be delivered to tellers at a Royal Bank branch, at a higher cost to the Customer. The Customer will ensure each deposit bag is securely sealed before being dropped or delivered, and that each chute or depository is immediately closed or locked after each use. If there is any suspected or actual unusual state of condition or defect in a chute or depository, the Customer will immediately provide verbal and written notice to the manager of the Royal Bank branch where the chute or the depository is located.
- 21.3 **Keys.** If Royal Bank provides one or more keys permitting access to a depository, the Customer will notify Royal Bank of receipt by the Customer, or by a Person on the Customer's behalf, of each key. Each key remains at all times property of Royal Bank, and may not be duplicated. In the event of any suspected or actual loss or theft of a key, the Customer will ensure notice of this is immediately provided to the manager of the Royal Bank branch at which the depository is located. Each key will be immediately returned to Royal Bank when this Service is suspended or terminated, when use of a depository ceases, or otherwise at Royal Bank's request. The Customer will pay Royal Bank on demand all Losses in connection with any loss or theft of, or failure to return to Royal Bank, any key, including for replacing each lock, key and all other keys to the depository.
- 21.4 **At Customer's Risk.** The Customer agrees that the use of this Service, including any use or attempted use of a chute or depository, by the Customer or any other Person on its behalf is at the sole risk of the Customer, and the Customer will indemnify and hold harmless Royal Bank for any related Losses. Royal Bank assumes no responsibility or liability whatsoever in respect of any Losses suffered or incurred by the Customer or any other Person relative to their use or attempted use of the Service, including with respect to anything delivered or intended to be delivered or any injury or other Loss sustained by the Customer or other Person while using or attempting to use a chute or depository. The Customer is exclusively responsible for anything delivered to Royal Bank in any bag, and assumes the risk or loss thereof, until entered by Royal Bank in its records as a deposit.
- 21.5 **Unopened Bags.** On enrolment in this Service the Customer may request to take delivery of its bags unopened. If this is agreed by Royal Bank, the Customer agrees:
- (i) each bag will be clearly marked in a manner pre-approved by Royal Bank and which indicates it is to be returned to the Customer unopened;
  - (ii) each bag will be picked-up by the Customer on the next day the applicable Royal Bank branch is open for business immediately following the day on which the bag is placed in a depository, or on such later date when the bag is made available by Royal Bank; and
  - (iii) the contents of each bag delivered by Royal Bank to the Customer shall be conclusively deemed to be exactly the same as the contents of the bag when it was placed in the depository. Royal Bank is not responsible for any delays associated with the delivery of a bag to the Customer, including if a bag is inadvertently picked-up by Royal Bank or an armoured car courier on Royal Bank's behalf.
- 21.6 **Processing Contents.** Except where Royal Bank has agreed to deliver bags to the Customer unopened in accordance with Section 21.5, Royal Bank is authorized to open each bag and remove and process the contents in accordance with this Agreement. Royal Bank is not obligated to process any contents which Royal Bank, in its discretion, does not consider acceptable, and the Customer shall timely take delivery of any contents not processed by Royal Bank.
- 21.7 **Royal Bank's Records.** Royal Bank's records concerning the Customer's use of this Service, including Royal Bank's count or determination of the number of bags or contents of each bag, are, in the absence of manifest error, deemed conclusively correct and irrevocably binding on the Customer. The relationship between Royal Bank and the Customer shall, relative to the contents of any bag, only become one of debtor and creditor, respectively, after the time the contents have been removed, counted, verified, accepted, and entered by Royal Bank in its records as a deposit.
- 21.8 **Provisional Credits.** Any provisional credit to an Account based on a deposit slip is subject to change, and Royal Bank may debit or credit the Account, to the extent necessary based on Royal Bank's actual count or determination of the contents of each bag. Any note, coin, or

Instrument that requires conversion from one currency to another will be converted at the time it is counted by Royal Bank using the applicable currency conversion rate established for such purpose by Royal Bank, in its discretion, at that time. Any provisional credit to an Account will be changed, and Royal Bank may debit or credit the Account, to the extent necessary to reflect the amount of funds converted and to deduct any conversion fees.

- 21.9 [Withdrawal of Depository](#). Royal Bank will have the right to change or withdraw from the Service any chute or depository, without prior notice, and Royal Bank will not be responsible for any resulting Losses.

## 22. Pre-Authorized Debits

- 22.1 [Definitions](#). Capitalized terms used for this Service that are defined in CPA Rule H1, have the meanings given in that Rule.

- 22.2 [Description of Service](#). Royal Bank will act as the Customer's Sponsoring Member for processing Cash Management PADs, Business PADs, or Personal PADs issued by or on behalf of the Customer.

- 22.3 [NDDS Method 3](#). If the Customer wishes to use Royal Bank's NDDS Method 3, then, subject to Royal Bank's approval, the Customer will provide Royal Bank the Schedule applicable to NDDS Method 3.

- 22.4 [Letter of Undertaking](#). This Section is the Payee Letter of Undertaking for PADs issued by the Customer. In accordance with CPA Rule H1, each time this Service is used, the Customer implicitly represents and warrants to, and covenants with, Royal Bank as follows:

- (i) **Payor Approval**. Each Payor on whose behalf any debit purports to have been drawn or direction purports to have been given shall have signed or otherwise duly Authorized and delivered to the Payee an authority instructing the Payee to issue debits, and, where applicable, shall have given the Payee a direction pursuant to such an authority to issue a debit as though it were signed or otherwise duly Authorized by such Payor instructing such direction to be acted on as though it were a Written instruction signed by such Payor. The Customer undertakes to ensure that each Payor's PAD Agreement and Authorization meets the requirements of CPA Rule H1, including Appendix II of CPA Rule H1, and will make the terms and conditions of the

Payor's PAD Agreement available to the Payor and provide each Payor with a copy of the Authorization signed by the Payor. The Customer shall maintain all records of, and undertakes to make available, immediately on the request of Royal Bank, a Payor or an authorized representative of the Payor (including the Processing Member), evidence of the authority of a Payor for whom the Payee has issued or caused to be issued any PAD, including each Payor's PAD Agreement and Authorization.

- (ii) **Commercially Reasonable Methods**. The Customer shall:
- (A) confirm that it has read and understands the definition of Commercially Reasonable Methods in CPA Rule H1, and that it has methods in place for use when entering into the Payor's PAD Agreements; and
- (B) agree to use Commercially Reasonable Methods when verifying the Payor's identity for a Payor's PAD Agreement in accordance with the requirements of CPA Rule H1.
- (iii) **Valid Signing Authority**. The Customer is solely responsible to ensure that each Payor's PAD Agreement and Authorization is signed or otherwise duly Authorized by the Payor in a form that constitutes proper authority for Royal Bank and the Processing Member to debit the Payor's designated account as may be set out in the Payor's account agreement with its Processing Member.
- (iv) **Payor Acknowledgement for Cash Management PADs**. Where the Payor and the Customer are the same Person, the Customer agrees Royal Bank may debit its designated account for such PAD. Where the Payor and Payee are not the same Person, the Customer confirms:
- (A) the Customer and the Payee are closely affiliated Businesses,
- (B) the Payor has received, reviewed, and Authorized this Payee Letter of Undertaking, prior to any Cash Management PADs being issued, and
- (C) the Customer, Royal Bank, and the Processing Member are authorized to debit the designated accounts of the Payor. The Customer confirms this subsection constitutes proper authority for the Processing Member to debit the Customer's or Payor's designated accounts for Cash

Management PADs in accordance with the applicable account agreement with the Processing Member.

- (v) **Sporadic PADs.** If any PADs are Sporadic or may be issued with Sporadic frequency, proper Authorization will be obtained from the Payor for each and every such PAD, in accordance with CPA Rule H1.
- (vi) **One Time PADS.** Where the Customer intends to issue One-Time PADs against a Payor, the Customer agrees and undertakes to obtain a signed or otherwise duly Authorized Payor's PAD Agreement for every One-Time PAD that Customer issues.
- (vii) **CPA General Indemnity.** In addition to the Customer's indemnity in Part A of this Agreement, except to the extent caused directly by Royal Bank's negligence, the Customer undertakes and agrees to hold harmless and to indemnify Royal Bank and any applicable Processing Member against any and all losses, costs, fees (including reasonable legal and other professional fees and disbursements), damages, expenses, liabilities, claims, suits and demands whatsoever that Royal Bank or any applicable Processing Member may suffer, incur or be under or that may be made or brought against Royal Bank or any such Processing Member by reason of or in any way arising out of any of the Services, including the action in drawing and issuing any debit.
- (viii) **Liability for Accuracy.** The Customer shall be solely responsible for the accuracy and completeness of all information furnished to Royal Bank in connection with the Services, and Royal Bank shall not be responsible in any way for errors resulting from the inaccuracy or incompleteness of any information furnished to Royal Bank. Without limiting the generality of subsection (v) above, the Customer undertakes and agrees to indemnify Royal Bank for all amounts that may be erroneously paid by Royal Bank or any Processing Member in respect of any PAD erroneously credited or debited by Royal Bank or any Processing Member pursuant to any direction from or on behalf of the Payee.
- (ix) **Force Majeure.** Royal Bank shall not be liable to the Customer or any other Person for any delay, damage, penalty, cost, expense or inconvenience to the Customer or such other Person resulting from Royal Bank's failure to perform the Service by reason of any cause beyond Royal Bank's control.
- (x) **Payor's Claim for Reimbursement.** The Customer undertakes and agrees to reimburse Royal Bank and any Processing Member for payment of any claim, including any interest claim, made by a Payor or other Person in accordance with the CPA Rules Manual, including any claim paid by Royal Bank as a result of a Reimbursement Claim filed by a Payor or other Person alleging that:
  - (A) the PAD was not drawn in accordance with the Payor's PAD Agreement;
  - (B) the Payor's PAD Agreement was revoked;
  - (C) any required Pre-Notification was not given at least ten (10) days before the date a related PAD was processed to the account of the Payor, or was not waived in accordance with CPA Rule H1;
  - (D) Confirmation was not provided in accordance with Section 16 of CPA Rule H1; or
  - (E) no Payor's PAD Agreement existed between the Person making the claim and the Payee with respect to a particular PAD.
- (xi) **Assignment.** This Payee Letter of Undertaking may not be assigned, directly or indirectly, by operation of law, change of control or otherwise, without the prior written consent of Royal Bank. No Payor's PAD Agreement may be assigned by the Payee, directly or indirectly, by operation of law, change of control or otherwise, except:
  - (i) if the Payee has prominently displayed (e.g. in bold print, highlighted or underlined) an assignment clause in the Payor's PAD Agreement and the Payee has provided to the Payor Written notice of the full details of such assignment, including the identity and contact information of the assignee; or
  - (ii) the Payee has provided to the Payor prior Written notice of the full details of such assignment, including the identity and contact information of the assignee, a minimum of ten (10) days in

- advance of any PAD being issued in the assignee's name; or
- (xii) **Name Change.** The Customer shall provide a minimum of ten (10) days Written notice to Royal Bank and the Payor in advance of the next PAD, where a Payee's name has changed.
- (xiii) **CPA Rules / Confirmation / Pre-Notification.** The Customer agrees it is bound by, and will comply with, respect and apply all relevant provisions of, the CP Act and all related by-laws, rules, and standards in force from time to time as they apply to the Payee and all PADs issued in connection with the Services, including without limitation, the Confirmation and Pre-Notification requirements or waiver of Confirmation and/or Pre-Notification requirements and cancellation requirements as set out in CPA Rule H1.
- (xiv) **Cancellation.**
1. (a) Without limiting the generality of subsection (xiii) above, the Customer hereby agrees that, subject to subsection (b) where the Payor instructs the Payee to cease issuing PADs or otherwise revokes a Payor's PAD Agreement or an Authorization to issue PADs, the Customer shall (i) ensure the PAD is cancelled in the next business, billing or processing cycle; (ii) within not more than thirty (30) calendar days from the notice, cease any new PADs against that Payor; and (iii) ensure no further PADs are issued against that Payor without that Payor first providing the Payee with a new Payor's PAD Agreement, provided the Payor has made available their instructions or revocation in Writing or orally with proper Authorization.
  - (b) Where the Payor and Payee have entered into an agreement (including the Payor's PAD Agreement) that clearly sets out a cancellation period that does not exceed thirty (30) calendar days, a cancellation or revocation under subsection (a) may become effective at the end of that period.
2. (a) The Payee may terminate a Payor's PAD Agreement in accordance with the terms of that agreement, or, where the agreement does not address termination by the Payee by providing at least thirty (30) calendar days Written notice to the Payor unless otherwise Authorized by the Payor in writing or orally with proper Authorization; and
- (b) Where a Payee terminates a Payor's PAD Agreement pursuant to Authorization from the Payor under subsection (a), the Payee shall provide or make available a Written statement specifying the date of the final PAD and effective termination date of the Payor's PAD Agreement within ten (10) calendar days of the final PAD.
- (xv) **Notices of Change.** The Customer undertakes and agrees to:
- (A) accept and act on any notice of change of a Payor's payment routing information that it receives from Royal Bank that was provided to Royal Bank by the Payor's Processing Member in relation to an administrative change to that information by the Processing Member pursuant to CPA Rules F1 and F4 that does not involve changing that Processing Member; and
  - (B) deem such notice of change to be that Payor's authorization to change its relevant payment routing information, provided that Royal Bank shall be responsible to the Customer only for the accuracy of information provided in any such notice of change that Royal Bank provides to the Customer.
- (xvi) **Re-Presentation.** In the event of the return of a PAD for reason of "Non-Sufficient Funds" or "Funds Not Cleared," the PAD may be re-presented electronically on a one-time only basis for the same amount as the original PAD, and provided that such PAD is re-presented within thirty (30) days. Any such re-presentation of a PAD shall not contain interest, Non-Sufficient Funds charges or any other charges in addition to the amount of the original PAD.
- (xvii) **Termination of Service.** This Service may be terminated pursuant to section 15.1 of this Agreement. Notwithstanding any termination of the Service, the provisions

of CPA Rule H1 and the indemnification provisions of this Agreement shall continue to remain in full force and effect with respect to any PAD drawn and issued or any other obligation of a Sponsoring Member in accordance with the provisions of this Agreement prior to the day upon which such termination takes effect.

## 23. Stop Payments

**23.1 Processing.** The Customer will ensure that the cheque or debit to be stopped has not already been paid or processed through the applicable Account. Royal Bank will confirm receipt of stop payment instructions. The following information must be provided for each cheque or debit to be stopped:

- (i) amount;
- (ii) date;
- (iii) payee name;
- (iv) serial number (note that the MICR encoded serial number is required in order for the system to capture it); and
- (v) reason for the stop payment. To stop a series of pre-authorized debits, stop payment instructions must be submitted for each debit in the series. Any stop payment instruction will remain in place for only one (1) year from the date the instruction is accepted by Royal Bank. It is the Customer's responsibility to follow-up on all stop payment instructions, and to ensure the payee has been notified that a stop payment instruction has been given. The issuance and processing of a stop payment instruction may not affect the legal obligation to the payee or any other Person. The payee must be contacted directly to cancel any contract with the payee as required. Royal Bank will process all stop payment instructions in accordance with CPA Rules, but Royal Bank does not guarantee a cheque or debit will be stopped even if a stop payment instruction has been processed. Royal Bank is not responsible for any Losses arising as a result of a stop payment instruction or related Instrument.

## 24. U.S. Par Crossed

**24.1 Definitions.** For purposes of this Service, the following defined terms will be used:

“**Business Day**” means a day (other than a Saturday or Sunday) on which national banks are open for business to the general public in the State of New York, provided, however:

- (i) a Business Day for RBC New York Branch will be limited to only those Business Days on which RBC New York Branch is open for business for the purpose of receiving and processing Par Crossed Cheques for Royal Bank's customers; and
- (ii) a Business Day for Royal Bank (for greater certainty, excepting RBC New York Branch) will be limited to only those Business Days on which Royal Bank is open for business for Royal Bank's customers; and

“**Canadian Statutory Holiday**” means New Year's Day\* (January 1), Good Friday, Victoria Day (third Monday in May), Canada Day\* (July 1), Labour Day (first Monday in September), Thanksgiving Day (second Monday in October), Remembrance Day\* (November 11), Christmas Day\* (December 25), Boxing Day\* (December 26) or any other day on which Royal Bank is closed in the province in which the applicable branch of account is located. If any of the holidays noted by asterisks falls on a day that is a Saturday, Sunday, or another Canadian Statutory Holiday, the next business day will be deemed to be the date for such holiday for the purposes of this definition.

**24.2 Direct Obligations.** Par Crossed Cheques may only be issued by the Customer in payment of a direct obligation of the Customer to the Customer's payees and not in payment of an obligation of another Person. For example, Par Crossed Cheques may not be issued to pay the Customer's clients' obligations to their payees or any other Person.

**24.3 Cheque Standards.** Par Crossed Cheques will comply with Applicable Laws, including Standard 006, Part A of the CPA Rules, NACHA Rules, and the applicable standards and rules of the American Bankers Association. Royal Bank is not responsible for any delays or Losses resulting from the use of any Par Crossed Cheques which are not compliant with the foregoing.

**24.4 Payment of Cheques.** Royal Bank may pay any Par Crossed Cheque, including any image or reproduction in whole or in part of any Par Crossed Cheque or information contained therein, that is presented for payment to RBC New York Branch, unless:

- (i) the Customer has provided in writing to Royal Bank valid stop payment instruction on that Par Crossed Cheque, which Royal Bank has accepted no later than the Business Day preceding the date the Par

Crossed Cheque is presented to RBC New York Branch, or as otherwise agreed to in writing by Royal Bank; or

- (ii) the Customer has advised Royal Bank in writing, no later than 12:00 noon New York time, the Business Day following presentation of the Par Crossed Cheque to RBC New York Branch, that the Par Crossed Cheque should be returned unpaid due to a problem with the Par Crossed Cheque, including if it contains any forged, missing, or unauthorized signature or alteration or if the Par Crossed Cheque is future-dated.

**24.5 Stop Payments and Returns.** The Customer will be solely responsible for providing instructions for the stop payment or return of a Par Crossed Cheque. If there is an intervening Canadian Statutory Holiday which is a Business Day for RBC New York Branch, between the date of presentment of the Par Crossed Cheque and the instruction deadlines referred to above, the instructions for stop payment or return may not be received in time to comply with return deadlines in New York and the Customer will be responsible for such Par Crossed Cheque paid by RBC New York Branch, or, should the cheque be returned to RBC New York Branch and the return subsequently disputed, the Customer will be responsible to reimburse RBC New York Branch. If Royal Bank receives instructions for a stop payment or return when RBC New York Branch is closed, the instruction will be deemed to have been made by the Customer on the next full Business Day on which RBC New York Branch is open for the general conduct of its business with the public. If no instruction for stop payment or return is made as provided above and a Par Crossed Cheque is paid by RBC New York Branch, Royal Bank may debit such Par Crossed Cheque to the applicable US dollar Account, or any other Account.

## PART C – GLOSSARY

### 25. Interpretation

In this Agreement:

- (i) all references to this Agreement, including any Service Materials, or to any Document, product, or service, including the Services, or to any law, statute, regulation, guideline, policy, procedure, rule, standard, or directive, including any Applicable Laws, or otherwise, include same as may be amended, restated, supplemented, or otherwise modified from time to time;

- (ii) all references to any Person, including any Regulatory Authority, includes its successors and assigns;
- (iii) the division of this Agreement into Parts, Articles, Sections, subsections, and other subdivisions, and the insertion of headings, are for convenience of reference only and should not affect construction or interpretation;
- (iv) words denoting the singular number will include the plural, and vice versa;
- (v) words denoting the masculine gender include the feminine and neutral genders, and vice versa, as the context otherwise permits;
- (vi) the word “including” means “including without limitation”, and the word “includes” means “includes without limitation”;
- (vii) all provisions, including all rights and obligations of the parties, are cumulative, and should not be interpreted as limiting any provision unless this intent is expressly indicated;
- (viii) the words “hereto”, “herein”, “hereof”, “hereunder”, “this Agreement”, and similar expressions mean this Agreement as a whole, and not any particular Part, Article, Section, subsection, or other subdivision, unless the context otherwise requires; and
- (ix) unless otherwise specified, all dollar amounts referred to in this Agreement are in lawful money of Canada.

### 26. Definitions

In this Agreement, unless otherwise defined, capitalized terms have the meanings given below:

“**Account**” means a business deposit account provided by Royal Bank;

“**Act of Insolvency**” means any action that results, or might reasonably be expected to result, in the Customer:

- (i) being unable to pay its debts as they become due;
- (ii) ceasing to pay its current obligations in the ordinary course of business as they generally become due; or
- (iii) being deemed bankrupt or insolvent under Applicable Laws, including, if applicable, pursuant to the Winding-up and Restructuring Act (Canada);

“**Administrator**” means a User designated by the Customer to perform certain responsibilities and administrative functions relating to the Services, including the creation and management of User profiles and/or controlling User Permissions;

“**Agreement**” means the Master Client Agreement for Business Clients and includes each Authorization Form, these Legal Terms and Conditions, and all

Service Materials. Each Document forming part of the Agreement is deemed incorporated in the Agreement and each other part of the Agreement, immediately when given effect by Royal Bank, without any other action required by Royal Bank, the Customer, or any other Person;

“**Applicable Laws**” means all applicable laws, decrees, regulations, decisions, treaties, ordinances, rulings, judgments, injunctions, writs, orders and awards of any court, arbitrator or Regulatory Authority, all directives, guidelines, advisories and rulings issued or made by an applicable Regulatory Authority, and the constitution, rules, standards, directives, guidelines, operating or other circulars, regulations, customs and uses of the exchange, central or reserve banks, markets and clearinghouses or systems, including CPA Rules, NACHA Rules, SWIFT Documentation, and all applicable laws relating to economic sanctions, anti-bribery and corruption, anti-money laundering and anti-terrorist financing, in each case, applicable to this Agreement, the Services, Royal Bank, the Customer, their respective businesses, and any other Person that is part of or connected with any transaction under this Agreement, including any Person originating transactions processed under this Agreement or transmitting those transactions through a payments system or otherwise, and the Person receiving the aforementioned transactions, as the case may be. For greater certainty, in connection with Royal Bank’s US Cross-border Banking Services, the Customer is required to comply with Applicable Laws in the US, including Uniform Commercial Code, and the restrictions prescribed by Royal Bank for US Cross-border Banking Services;

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

“**Authorization Form**” means any Service Materials or other Document which identifies a Person to use the Services;

“**Beneficiary**” has the meaning given in Section 18.5;

“**Biometric ID Feature**” means the feature that Royal Bank may offer which uses the Biometric ID Service to allow the fingerprint, face, or other biometric identity of a Person registered on an Electronic Channel to sign in to the Electronic Channel and access and use the Customer’s Services and OPS;

“**Biometric ID Service**” means the fingerprint, face, or other biometric identity service provided by Royal Bank or another Person;

“**Client Card**” means a debit card issued by Royal Bank to the Customer, or any Person on the Customer’s behalf, with a unique card number, and includes the use of the unique card number;

“**Confidential Information**” means all information, other than Non-Protected Information, whether or not

identified as confidential at the time of disclosure, relating to the businesses, operations, assets, clients and employees of the disclosing party or its affiliates, or the business of its suppliers and clients, whether provided by the disclosing party or its Representatives, at any time before or after the date of this Agreement, including notes, reports, summaries, analyses, compilations, memoranda, studies, interpretations and any other written or electronic materials or information communicated orally, which contain or otherwise reflect the disclosing party’s Confidential Information, including Service Materials. For greater certainty, Confidential Information includes intellectual property rights of, and personal information provided by, the disclosing party, and the fact that discussions or negotiations are taking place concerning the Services involving the parties, or any of the terms, conditions or matters then being discussed with respect to the Services, including their status;

“**CP Act**” means the Canadian Payments Act and the by-laws, regulations, standards, rules, and policies relating to Payments Canada;

“**CPA Rules**” means the rules, standards, guidelines, and directives of Payments Canada;

“**Customer**” means the Person who enters into this Agreement or who is enrolled in, authorized for, or uses any Service;

“**Disabling Code**” means any clock, timer, counter, virus, worm, software lock, drop dead device, Trojan horse routine, trap door, time bomb, or any other unauthorized codes, designs, routines or instructions that may be used to access, modify, replicate, distort, delete, damage or disable any Electronic Channel, including any related hardware or software;

“**Dispute**” means a cause of action, issue, disagreement or problem that may arise under or in connection with this Agreement;

“**Document**” means any agreement, amendment (including an amendment to this Agreement), statement, disclosure, notice, request, consent, information, instruction, communication, Instrument, Service Materials, or other document, including any of the foregoing made, drawn, accessed, sent, received, accepted, endorsed, negotiated, signed, or processed verbally or in paper or electronic form through any Electronic Channel;

“**Electronic Channel**” means any telecommunication or electronic transmission method which may be used in connection with the Services, including any ATM, computer, email, facsimile, Internet, mobile device, mobile phone, network, personal digital assistant, point-of-sale terminal, smart phone, SWIFT or SWIFT Network, telephone, wire transfer system, or wireless device;

“**FINTRAC**” means the Financial Transaction and Reports Analysis Centre;

“**Force Majeure**” means any event, act, or omission beyond the reasonable control of a party exercising reasonable foresight and diligence, including a labour dispute, act of God, flood, fire, lightning, severe weather, shortage of materials, interruption in, or shortage of, the supply of electric power or other utilities, earthquake, act of terrorism, war, revolution, civil commotion, act of public enemies, blockade, embargo, pandemic disease, or any law, order, proclamation, regulation, ordinance, demand or requirement having legal effect of any Regulatory Authority or Applicable Laws;

“**GIC**” means guaranteed investment certificate;

“**Harmful Content**” means:

- (i) content, information or a message that is harmful to Royal Bank, the Recipient, or any other Person;
- (ii) personal information of an individual unless the individual has provided appropriate consent for the collection, use, and disclosure of the personal information in accordance with Applicable Laws, including personal information protection laws;
- (iii) a uniform resource identifier such as a uniform resource locator (URL), hyperlink, Disabling Code;
- (iv) any deceptive or malicious content, including, but not limited to, a deceptive or malicious URL that may cause harm to any Person that transmits, receives or processes the URL information;
- (v) content, information or message that is offensive, defamatory, illegal, relates to illegal activities, or the inclusion or transmission of which is otherwise in contravention of Applicable Laws;
- (vi) content, information or message that infringes intellectual property rights; and/or
- (vii) content, information or message intended to market products or services;

“**Information Preview**” means the feature in certain Electronic Channels which automatically displays certain information of the Customer without signing in to the applicable Electronic Channel using their Security Device;

“**Instrument**” means a bill of exchange (including a cheque), promissory note, security, chattel paper, other instruction or order for the payment of money given verbally or in paper or electronic form (including using the Messaging Feature or Voice Recognition Feature), clearing item, payment item, or other value item (including any automated clearing house payment, pre-authorized deposit or debit payment), including any image or reproduction of the foregoing. Any such item will be considered an Instrument whether or not the Customer is a party to it and whether it is in Canadian or another currency;

“**Joint Banking**” means any Service or OPS that is provided on a joint basis to the Customer where the Customer consists of more than one Person;

“**Legal Terms and Conditions**” mean the terms and conditions herein contained;

“**Losses**” means all losses, claims, damages, costs, fees and charges, expenses and other liabilities, including reasonable legal and professional fees and disbursements and costs of investigation, litigation, settlement, judgment, interest, penalties and sanctions;

“**Messaging Feature**” means the feature that Royal Bank may offer which uses the messaging and notification capability provided by Royal Bank or another Person to allow the Customer to access certain information of the Customer and send certain Documents, including, without limitation, initiating certain payments or other transactions;

“**MICR**” means Magnetic Ink Character Recognition;

“**Money Service Business**” and “**MSB**” means an individual or entity engaged in the business of at least one of the following services:

- (i) remitting or transmitting funds from one individual or entity to another by any means or through any person, entity or electronic funds transfer network in any amount;
- (ii) foreign exchange dealing;
- (iii) issuing or redeeming money orders, traveler’s cheques or other similar negotiable instruments, except for cheques payable to a named individual or entity;
- (iv) dealing in virtual currency;
- (v) crowdfunding platform services;
- (vi) an individual or entity advertising (by means of newspaper, television, yellow pages, internet, any other media, or by an interior or exterior sign) that it engages in any of the above-mentioned services in (i) through (v);
- (vii) holding a permit or licence related to any of the above-mentioned services in (i) through (v);
- (viii) being registered with FINTRAC as someone carrying on any of the above-mentioned services in (i) through (v);
- (ix) offering money transfer services in any amount;
- (x) conducting foreign exchange transactions for more than \$1,000 during a single transaction with the same person or entity (including two or more transactions related to a foreign exchange transaction of less than \$1,000 each that are made within 24 consecutive hours and that total \$1,000 or more);



- (xi) issuing or redeeming money orders, traveller's cheques or other similar negotiable instruments for more than \$1,000 during a single transaction with the same person or entity (including two or more transactions related to the redemption of money orders, traveller's cheques or other similar negotiable instruments of less than \$1,000 each that are made within 24 consecutive hours and that total \$1,000 or more); or
- (xii) reporting the income of any of the above-mentioned services in (i) through (v) as income from a separate business for tax purposes.

“**NACHA**” means the National Automated Clearing House Association;

“**NACHA Rules**” means the rules, standards, guidelines, and directives of NACHA;

“**Non-Protected Information**” means information which:

- (i) is or becomes generally available to the public other than as a result of a breach of this Agreement;
- (ii) was within the possession of a party on a non-confidential basis prior to being provided to it by or on behalf of the other party;
- (iii) is or becomes available to a party on a non-confidential basis from a source other than the other party or its Representatives, which source, to the best of party's knowledge, is not prohibited from disclosing such information by a legal, contractual or fiduciary obligation; or
- (iv) is or was independently developed by a party without the use of the other party's Confidential Information;

“**OPS**” means other products or services provided by Royal Bank or any other Person, other than the Services;

“**Par Crossed Cheques**” means cheques issued with MICR codes complying with standards set by the American Bankers Association for clearing cheques in the US, and that are drawn in US dollars on the Customer's US dollar Accounts listed in the applicable Schedule and bearing the information “payable in United States Currency through Royal Bank of Canada, New York Branch, 3 World Financial Center, New York, NY 10281 – 8098”;

“**Payments Canada**” means Payments Canada (formerly the CPA or Canadian Payments Association);

“**Person**” means an individual or natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability corporation, unlimited liability company, joint stock company, trust, unincorporated association, joint venture, Regulatory Authority or other entity, including any Representative of any of the foregoing, and pronouns have a similar extended meaning;

“**Public Body**” means

- (i) a department or agent of His Majesty in right of Canada or a province, or a company controlled by His Majesty in right of Canada or a province,
- (ii) an incorporated city, town, village, metropolitan authority, township, district, county, rural municipality, or other incorporated municipal body or agent of any of them in Canada,
- (iii) an organization that operates a public hospital and that is designated by the Minister of National Revenue (Canada) as a hospital authority under the Excise Tax Act (Canada), or an agent or mandatory of such an organization.
- (iv) a direct or indirect subsidiary of an entity in (i), (ii) or (iii) whose financial statements are consolidated with the entity referred to in (i), (ii) or (iii);

“**Publicly Traded Entity**” means an entity whose net assets are greater than Seventy-Five Million Canadian Dollars (CAD \$75,000,000) (current audited statements) and whose shares or units are traded on a Canadian stock exchange or a stock exchange designated under subsection 262(1) of the Canadian Income Tax Act and operates in a country that is a member of the Financial Action Task Force on Money Laundering, or is a direct or indirect subsidiary of an entity referred to above whose financial statements are consolidated with same;

“**RBC New York Branch**” means Royal Bank of Canada, New York Branch, 3 World Financial Center, New York, NY 10281 – 8098;

“**Regulatory Authority**” means any Person having regulatory or supervisory authority over Royal Bank, its affiliates, the Customer, or the Services, including any administrative, judicial, governmental, regulatory, or self-regulatory, taxation, financial, monetary, or investigative authority, agency, or body, including (without limitation) NACHA, the CPA, SWIFT, FINTRAC, Global Affairs Canada, the Department of Public Safety of Canada, the United Nations Security Council, the Office of Foreign Assets Control (OFAC), and the U.S. Department of State;

“**Representatives**” means past and present directors, officers, employees, signing authorities, agents, contractors, subcontractors, service providers, consultants, internal or external auditors, legal or other professional advisors, or other Persons acting on a party's behalf, including a Person using a Service on the Customer's behalf, and any past or present Person specified in an Authorization Form and the Person's delegates, including any User;

“**Restricted Business**” means any Person, or Person

owned or controlled directly or indirectly by a Person, that owns, operates, controls or receives revenue from a business engaged in or associated with an improper, illegal, or unlawful activity, or any other business that Royal Bank may, in its discretion, determine to be a restricted business as listed on Royal Bank's website from time to time or otherwise provided to the Customer;

**"Royal Bank"** means Royal Bank of Canada;

**"Royal Bank Prime Rate"** means the annual rate of interest Royal Bank announces from time to time as a reference rate for determining interest rates on Canadian dollar commercial loans in Canada;

**"Schedule"** has the meaning given in Section 1.2;

**"Security Device"** means a security device, including a card, token, code, password, identification number, certificate, login ID, passphrase, personal verification question, security question and answer, test key, business client identification number or Client Card, fingerprint, face, or other biometric identity used for the Biometric ID Feature, and other security codes and devices;

**"Service"** means each of Royal Bank's business products or services provided to or used by the Customer, including any account, credit, cash management, investment, or payment products or services;

**"Service Materials"** means all hardware, software, equipment, information, or other Documents provided by Royal Bank for the Services, including all Schedules, Security Devices, rules and manuals of operation, guides, training materials, reference materials, or other Documents applicable to the Services;

**"SWIFT"** means the Society for Worldwide Interbank Financial Telecommunication SCRL;

**"SWIFT Documentation"** means all SWIFT agreements, terms, conditions, standards, orders, directives, guides, and procedures, including the SWIFT General Terms and Conditions;

**"SWIFT Network"** means the computer link system operated by SWIFT;

**"US"** means the United States of America;

**"US Base Rate"** means the annual rate of interest Royal Bank announces from time to time as a reference rate for determining interest rates on US dollar commercial loans in Canada;

**"User"** means a Person using the Services, including each Administrator;

**"User Permissions"** means the roles, responsibilities, access, and entitlements given to a User in connection with the Services; and

**"Voice Recognition Feature"** means the feature that Royal Bank may offer which uses the voice recognition capability provided by Royal Bank or another Person to allow the Customer to use voice commands to access certain information of the Customer and send certain Documents, including, without limitation, initiating certain payments or other transactions.



- 1-800 ROYAL® 7-0
- [rbcroyalbank.com/sme](http://rbcroyalbank.com/sme)

