These are Service Materials for Direct Deposits and Direct Payments, and form part of the Master Client Agreement for Business Clients between Royal Bank and the Customer.

Terms of Agreement

1. Definitions and Interpretation

All capitalized terms not defined have the meanings given in the Legal Terms and Conditions of the Master Client Agreement for Business Clients, and the rules of interpretation prescribed by the Legal Terms and Condition also apply.

In addition, for the purpose of these Services, the following defined terms will be used:

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Deposit</td>
<td>The transfer of funds from the Customer to specified payees.</td>
</tr>
<tr>
<td>Direct Payment</td>
<td>The transfer of funds to the Customer by way of pre-authorised debits drawn on specified payors.</td>
</tr>
<tr>
<td>Invalid Transactions</td>
<td>Transactions that fail to pass Royal Bank’s data validation process.</td>
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<tr>
<td>Originator</td>
<td>The Person that initiates transactions.</td>
</tr>
<tr>
<td>Receiver</td>
<td>The Person receiving the proceeds of a Direct Deposit, or the Person who will be debited with the Direct Payment, as ordered by the Customer.</td>
</tr>
<tr>
<td>Transaction</td>
<td>An order from the customer to Royal Bank to process a Direct Deposit or a Direct Payment.</td>
</tr>
<tr>
<td>Valid Transaction</td>
<td>Transactions that successfully pass Royal Bank’s data validation process.</td>
</tr>
</tbody>
</table>

2. Compliance

The Services must be used and operated by the Customer according to all
technical requirements and operating instructions, guidelines, and procedures described in the ACH Resource Centre.

The Customer will ensure all Transactions, and related dealings, are in compliance with CPA Rules for Transactions destined to financial institutions in Canada, or NACHA Rules for Transactions destined to financial institutions in the US.

The Customer is bound by applicable CPA Rules and NACHA Rules, and will remain informed and current about the rules, including by acquiring copies of same as published and republished from time to time.

3. Representations and Warranties

The Customer confirms that all representations and warranties made, or to be made, by Royal Bank under CPA Rules or NACHA Rules are true, complete, and accurate in all respects in connection with all Transactions transmitted by Royal Bank on the Customer’s behalf.

The Customer is solely responsible for any Losses relating to a breach of any such representation or warranties.

4. Names on Transaction Orders

The Customer confirms that, unless otherwise agreed in writing by Royal Bank, it will be the Originator of all Transaction orders sent to Royal Bank, and, accordingly, all Transaction orders will include the Customer’s legal name as the Originator name and the legal name of each Receiver.

The Customer assumes the responsibilities, obligations, and liabilities of an Originator under CPA Rules and NACHA Rules, including the warranty and payment obligations of an Originator.

The Customer will ensure that data fields used for the identification of Persons party to a Transaction will not be left blank, or be space-filled, or include data in which the same character, if a letter, is repeated consecutively more than twice in the same word (except in the event that this is the bona fide legal name of the Person), and will include the valid and actual names of the Persons purported to be the Originator or the Receiver.

5. Receivers

The Customer is responsible for having all Receivers’ authorizations, payor agreements, or similar agreements which evidence each of the Receivers’ consent to the Customer making Direct Deposits or issuing Direct Payments to their accounts at financial institutions in Canada or in the US, and for keeping copies in a suitable media for the terms, and substantially in the form, required by CPA Rules or NACHA Rules.

Each time a Transaction is initiated, the Customer implicitly represents, warrants, covenants, and agrees that the Transaction has been and will continue to be authorized by the Receiver of the Transaction as required by Applicable Law, including applicable CPA Rules or NACHA Rules and:

- such authorization has not been revoked or rescinded
- except where not required by the Service Materials, the authorization is in writing, and
- where the Receiver of the Transaction is not an individual, the Customer has and will continue to enter into a valid written agreement with the Receiver of
the Transaction binding the Customer and the Receiver of the Transaction to Applicable Law, including applicable CPA Rules or NACHA Rules.

The Customer will obtain from the Receivers their correct account numbers, as well as their financial institution and branch numbers, or routing numbers for financial institutions in the US, and will keep such information current.

No payments may be originated for any Receiver for whom the Receiver’s financial institution has issued a notice of change, unless the Customer has changed the Transaction data to reflect the information provided in the notice of change.

Royal Bank will deliver Transactions, and corrections of Transactions as permitted by CPA Rules or NACHA Rules, to the Receivers’ financial institutions according to the industry’s schedules and the schedules that Royal Bank establishes.

6. Formatting

All input files must be formatted by the Customer according to one or more of the formats and conditions for such formats described in the ACH Resource Centre or as agreed in advance with Royal Bank.

The Customer will ensure all Transactions bear the CPA’s Transaction codes or NACHA’s Standard Entry Classes that Royal Bank has identified as authorized for the Customer to use in connection with the Services.

7. Limits

The Customer is responsible ensuring the dollar value of each Transaction does not exceed the Customer’s daily limit for the Services, as prescribed by Royal Bank.

The Customer will request temporary or permanent adjustments to its daily limit no later than the lead-time for such requests, as advised by Royal Bank.

Royal Bank will notify the Customer through electronic mail when Royal Bank produces service reports because of the rejection or acceptance of Direct Deposits resulting from the unavailability or availability of sufficient daily limit.

Royal Bank will reject all Transaction input files exceeding the file limit, if the Customer has elected to define the maximum dollar value of any file that the Customer sends or transmits to Royal Bank.

Royal Bank will reject all single Transactions exceeding the Transaction limit, if the Customer has elected to define the maximum dollar value of any Transaction that the Customer sends or transmits to Royal Bank.

8. Cut-off Times

The Customer is responsible for delivering to Royal Bank Transaction instructions, whether in files or singly through RBC Express ACH Direct Payments & Deposits Payment Manager, before the deadlines that Royal Bank has established for the acceptance of Valid Transactions.

Current information regarding cut-off times or input deadlines can be found in the ACH Resource Centre.

If the Customer has elected to provide a file schedule to Royal Bank, the Customer is responsible for advising the RBC Cash Management Customer
## 9. Account Credits/Debits

Support Centre in advance of any changes to the Customer’s input file schedule, including for any late or unscheduled input files.

<table>
<thead>
<tr>
<th>Royal Bank will, on a timely basis, credit the applicable Account with the proceeds of valid and delivered Direct Payments.</th>
</tr>
</thead>
<tbody>
<tr>
<td>For future-dated Direct Deposits, funds will be debited from the applicable Account on the date the Transaction instructions are received by Royal Bank or on the value date if the Customer has a daily limit.</td>
</tr>
</tbody>
</table>

## 10. Foreign Exchange

The Customer is responsible for the financial impact of foreign currency exchange, whether a loss or gain, when transactions previously converted to another currency have been returned by the receiving financial institution or are reversed or corrected, or for whatever reason require conversion to their original currency.

## 11. Records

The Customer will retain, for such period of time as may be required by CPA Rules or NACHA Rules, all records relating to Transactions, including copies of items, source documents, authorizations, and other data, in a safe, secure, and accessible environment, and will make such records available for review and copying by Royal Bank as and when requested by Royal Bank.

## 12. Reports and Data

Royal Bank will validate Transaction data for presence, structure, and content to the extent described in the ACH Resource Centre, and provide timely reports to the Customer of the results of the Transaction data validation process.

Royal Bank will make available service reports or data files according to the schedules in the ACH Resource Centre or as advised by Royal Bank from time to time.

The Customer is responsible for the timely collection of all reports or data files the Services produce, and for promptly advising the RBC Cash Management Customer Support Centre if any reports or data files are missing.

Royal Bank will store (warehouse) Valid Transactions for periods appropriate for the circumstances of each Transaction as described in the ACH Resource Centre, including, pending further disposition, Direct Deposits that would have caused the Customer to exceed the daily limit.

To the extent that the Customer has requested, Royal Bank will store (warehouse) Invalid Transactions pending further disposal by the Customer, or until they expire.

## 13. Verification

The Customer is responsible for promptly verifying the results of Royal Bank’s validation of payment instructions received in input files (see "Input Verification & Edit Report" and "File Input Payment Confirmation Report") and for correcting all Invalid Transactions before the deadlines that Royal Bank has established for the acceptance of Valid Transactions.

The Customer is responsible for promptly verifying the “Daily Limit – Payment Details Report” to identify Direct Deposits that have been rejected because of insufficient daily limit or Transactions previously rejected because of insufficient daily limit that have been accepted after a positive change in the available daily
14. Security

The Customer is responsible for ensuring the Services, and any software or other Service Materials provided by Royal Bank for the operation of the Services, are only operated or used in the presence of the Person authorized for such purpose.

The Customer is responsible for prudently establishing rules and protocols for the approval of Transactions, following the Customer’s internal authorizations and policies for the approval of payments, as well as for prudently defining and assigning roles, responsibilities, and rights (entitlements) of each Person using the Services.

The Customer is responsible for ensuring all passwords and identification numbers used in the operation of the Services are kept secret at all times and are used exclusively for the purpose for which they were issued.

All Security Devices related to the operation of the Services, including RSA SecurID® Tokens, must always be in the possession of the Persons for whom the Security Devices were issued or assigned.

Each Person using the Services must establish a passphrase according to the rules prescribed by Royal Bank, and must maintain his or her passphrases secret to him or her at all times.

If it is suspected that a passphrase is known to an unauthorized Person, the Customer is responsible for ensuring the passphrase is changed immediately and the situation is reported to Royal Bank.