



## MASTER CLIENT AGREEMENT FOR BUSINESS CLIENTS LOCKBOX RECEIVABLES SERVICE MATERIALS

These are Service Materials for Royal Bank's Lockbox Receivables services, and form part of the Master Client Agreement for Business Clients between Royal Bank and the Customer.

### 1. Definitions and Interpretation

1.1 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 Conditions also apply. In addition, for purposes of this Service, the following defined terms will be used:

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

**"Business Day"** means each day other than Saturday, Sunday, or federal or provincial statutory holidays in Canada;

**"Service"** means the lockbox receivables service provided by Royal Bank which enables the Customer to direct payments to a post office (PO) box, which Royal Bank retrieves for processing and depositing the funds directly into the Customer's bank account at Royal Bank;

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

**"User Permissions"** means the roles, responsibilities, access, and entitlements given to a User in connection with this Service.

### 2. Service

#### 2.1 Post Office.

2.1.1 Post Office Box. The Customer is solely responsible for the use of the post office box. If the Customer rents the post office box from the post office, all such charges are payable by the Customer directly to the post office. The Customer is also responsible for ensuring that its post office box is of adequate size to accommodate the Customer's anticipated mail volumes. If the post office box is rented by Royal Bank from the post office, Royal Bank will pay the annual rental charge on behalf of the Customer.

2.1.2 Postage Due Charges. The Customer is responsible for all "postage due" fees charged by any post office for any incoming mail items that are mailed to the designated post office box with insufficient postage, whether the post office box is rented by the Customer or Royal Bank.

2.1.3 Registered Mail and Courier Packages. The Customer is responsible for ensuring its customers do not send registered mail or couriers to the designated post office box, and the Customer acknowledges and agrees that Royal Bank shall not be responsible for the receipt of such mail or couriers nor for any charges related thereto.

2.1.4 Post Office Box Authorization. The Customer will provide Royal Bank and the post office with any authorizations that may be required from time to time to allow Royal Bank to pick up the mail from such post office, whether the post office box is rented by the Customer or Royal Bank.

2.1.5 Cash Payments. The Customer will direct its customers not to send cash payments to the designated post office box. In the event that a cash payment is received, Royal Bank may, in its sole discretion, refuse to process such payment and return it to the Customer.

2.1.6 Extraneous Items. The Customer will advise its customers that only payments are to be sent to the designated post office box. The Customer will ensure that the post office box is not used for any potentially harmful, illegal, improper, or unlawful use, including the delivery of firearms, ammunition, medical samples, pharmaceuticals. The Customer will provide its customers with an alternate address for all extraneous items, including returned goods, merchandise, or other material. In the event that any such extraneous



items are sent to the post office box, Royal Bank shall only process any payment received and return the extraneous item to the Customer, at the Customer's sole cost.

2.1.7 Fees and Charges. The Customer will pay Royal Bank's fees, charges and taxes relating to the renting by Royal Bank of the post office box, in addition to Royal Bank's fees, charges and taxes for this Service.

## 2.2 Courier

2.2.1 Arrangements. If material is delivered to the Customer via courier, the Customer must establish the courier arrangement directly with the courier and provide Royal Bank with the appropriate courier account number(s). The Customer is solely responsible for any and all charges billed directly to Royal Bank or otherwise by the courier relating to shipments to the Customer, including any fees for changed or incorrect account numbers, refused packages, or address changes.

2.2.2 Collect On Delivery Courier Packages. The Customer will ensure any courier deliveries that are sent to Royal Bank's processing centre are pre-approved by Royal Bank and sent pre-paid. To ensure a high level of service, any such deliveries must be sent by courier and not delivered by the Customer, its customers, or any other Person.

2.3 Paid in Full or Similar Notations. The Customer is responsible for ensuring that its customers mail any items marked as paid in full or with other similar wording to an alternate post office address that is not part of this Service or serviced by Royal Bank. If instructed by the Customer, Royal Bank will not, on a reasonable best efforts basis, process any such items received.

2.4 Invoices. Payment on account of any invoice will be accepted and processed by Royal Bank, regardless of the due date on the invoice and whether or not payment represents full or partial payment of the invoice. If the Customer is using the RPS Magnetic Ink Character Recognition (MICR) Processing Service or the RPS Optical Character Recognition (OCR) Processing Service, the Customer will design its invoices supplied to its debtors so that the "receipt" and "remittance" portions conform to the minimum requirements outlined in CPA Rule H6.

2.5 Processing. Subject to Section 2.1.5 above, Royal Bank will collect and process Instruments and cash received at the designated post office box in accordance with the Customer's established processing instructions and prior to Royal Bank's standard cut-off time or the cut-off time agreed by the Customer and Royal Bank. Royal Bank will endorse Instruments payable to the Customer, deposit the proceeds of the Instruments and cash that Royal Bank has decided, in its sole discretion, to process to the applicable Account, and report the Instruments and such cash received to the Customer. Only Instruments, cash that Royal Bank has decided, in its sole discretion, to process, or invoices received at the post Office Box will be processed, and anything else will be forwarded to the Customer at the Customer's sole cost.

2.6 Remittance Information. Royal Bank will capture the remittance information as selected by the Customer and deliver it to the Customer in the selected format.

2.7 Fees and Charges. The Customer is responsible for all fees and charges incurred by the Customer and/or the Users in connection with the use of the Service, and any additional fees, charges, taxes, or other amounts payable to other Persons.

2.8 Limitations of Service. If the Customer is unable to use this Service at any time and for any reason, the Customer is solely responsible, at its own expense, for finding an alternate method to issue invoices to and receive payments from its customers, such as by sending an invoice directly to its customers.

2.9 Liability for Returned and Rejected Instruments. Without limiting any provisions in the Agreement, in the event that a Customer's Instrument is returned, rejected or reversed for any reason, 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 with respect to such returned, rejected or reversed Instrument, together with any interest. Royal Bank may make any other adjustments to an Account to give effect to the foregoing.



### 3. Technology Requirements

3.1 Technology Requirements. To use this Service, the Customer must maintain, at the Customer's own expense, compatible Electronic Channels, hardware, operating systems, and software approved for such use by Royal Bank, and which have not been altered 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, to make changes to this Service from time to time which may result in the Customer's Electronic Channels, hardware, operating systems, and software becoming no longer compatible with this Service, and in such event, Royal Bank will have no responsibility or liability to the Customer or any other Person.

### 4. Security and Service Materials

4.1 Security. The Customer will ensure compliance with all security procedures, standards, and other requirements prescribed by Royal Bank. The Customer will implement all features available to enhance the security of this Service, including password and pass phrase reset, dual administration, and multiple approval rules. **THE WAIVER AND RELEASE IN SUBSECTION 13.3 OF THE LEGAL TERMS AND CONDITIONS WILL APPLY TO THE EXTENT THESE FEATURES ARE NOT IMPLEMENTED.**

4.2 Service Materials. The Customer will ensure the confidentiality, security, and proper use of all Service Materials, including tokens, login ids, passkeys, passwords, pass phrases, personal verification questions, and other Security Devices, and Electronic Channels used in connection with this Service. The Customer will immediately notify Royal Bank, verbally and in writing, if any Service Materials or Electronic Channels are lost or stolen or if there is any unusual, suspicious, actual or suspected fraudulent, or other unauthorized use in relation to this Service.

4.3 Information Icons, Help Content, and Links. There may be important terms and conditions displayed when information icons or links are clicked using this Service, and these terms and conditions form part of the Agreement. The Customer will ensure these terms and conditions are accessed and reviewed accordingly.

### 5. Users and User Permissions

5.1 Authority. The Customer will ensure each User is properly authorized to use this Service 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.

5.2 Responsibility for Users. The Customer will ensure 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.

5.3 Information. The Customer will ensure 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.

5.4 Changes. The Customer will ensure 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 this Service, including any change to the authority and information of each User, may not result in corresponding changes to any other Services or Documents. The Customer will ensure its other Services and Documents are changed to the extent necessary, in accordance with the Agreement.

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