

RBC Royal Bank®

Business/Commercial Credit Card Liability Waiver Program Description



12993 (10/2023)

This Liability Waiver Program Description (“**Program Description**”) is a valuable source of information. Please keep it in a safe place.

1. What is the RBC Royal Bank Business/Commercial Credit Card Liability Waiver Program?

The RBC Royal Bank Business/Commercial Credit Card Liability Waiver Program (“**Liability Waiver Program**”) allows Eligible Companies that have entered into an agreement with Royal Bank of Canada (“**Royal Bank**”) for the establishment of a business and/or commercial credit card account and the issuance of Cards to request Royal Bank to waive the Eligible Company’s liability for certain Unauthorized Charges made by its Cardholders.

All capitalized terms not defined herein have the meaning given either in the RBC Royal Bank Business Credit Card Agreement or in the RBC Royal Bank Commercial Card Program Service Materials, as the case may be, entered into between the Eligible Company and Royal Bank (each, an “**Agreement**”).

2. Who provides the Liability Waiver Program?

This Liability Waiver Program is provided directly to Eligible Companies by Royal Bank. It is not a contract of insurance. Royal Bank may use a program administrator to administer the Liability Waiver Program.

3. What is the Maximum Amount that can be waived under the Liability Waiver Program?

Royal Bank may waive the Eligible Company’s liability for Unauthorized Charges totaling up to a maximum of \$100,000 CAD per Card, subject to the terms, conditions and limitations stated in this Program Description.

4. Definitions

- 4.1 “**Cancellation Request**” means an Eligible Company’s request to Royal Bank to cancel a Cardholder’s Card.
- 4.2 “**Card**” means an RBC® Avion® Visa Business[†], RBC® Avion® Visa Infinite Business[†], RBC® Visa Business[†], RBC® Visa Business[†] Gold, WestJet RBC® World Elite Mastercard for Business[‡], RBC® Commercial Avion® Visa[‡], RBC® Commercial Cash Back Visa[‡], RBC® Commercial Visa[‡] or RBC® Commercial U.S. Dollar Visa[‡] credit card issued by Royal Bank to a Cardholder.

- 4.3 “**Cardholder**” means the designated employee of an Eligible Company to whom a Card has been issued by Royal Bank who is (i) over 18 years of age, (ii) residing in Canada and (iii) authorized to use the Card for business purposes, in accordance with the Eligible Company’s internal policies. The Eligible Company will not request any person to receive a Card on any of its present or future business and/or commercial credit card accounts if that person has been named at any time by the Eligible Company in a Request for Waiver.

- 4.4 “**Charges**” means the amounts charged to a Card, including Purchases and Cash Advances.

- 4.5 “**Date of Notification of Employment Termination**” means the earlier of (i) the date the Eligible Company gives or receives a written notice of immediate or pending employment termination of a Cardholder; (ii) the date the Cardholder leaves the Eligible Company’s service; or (iii) if the Cardholder is a member of a bargaining unit of a union and the employer contract includes grievance procedures, the date the Eligible Company files a grievance with the labour arbitrator recommending the Cardholder’s employment be terminated.

- 4.6 “**Eligible Company**” means a corporation, partnership, sole proprietorship or any other entity which has entered into an Agreement, if such Agreement is still active and in force.

- 4.7 “**Employment Termination Event**” means (i) an Eligible Company giving or receiving a written notice of immediate or pending employment termination of a Cardholder; (ii) a Cardholder leaving the Eligible Company’s service; or (iii) if the Cardholder is a member of a bargaining unit of a union and the employer contract includes grievance procedures, when the Eligible Company files a grievance with the labour arbitrator recommending the Cardholder’s employment be terminated.

- 4.8 “**Request for Waiver**” means a written request in a form prescribed by Royal Bank from the Eligible Company requesting Royal Bank to waive the Unauthorized Charge(s) in accordance with the terms and conditions of this Liability Waiver Program.

5. What is an Unauthorized Charge?

- 5.1 An “**Unauthorized Charge**” is a Charge to a Cardholder’s Card incurred by a Cardholder:
- a) which is not made in accordance with the Eligible Company’s internal policies and which does not benefit the Eligible Company directly or indirectly, in whole or in part; or
 - b) for which the Eligible Company has reimbursed the Cardholder but the Cardholder has not paid Royal Bank;
- provided that such Unauthorized Charge:
- c) is posted within the seventy-five (75) days preceding (i) the Date of Notification of Employment Termination, or (ii) the date Royal Bank receives a Cancellation Request; or
 - d) is posted up to fourteen (14) days after Royal Bank has received a Cancellation Request but was incurred prior to the date of the Cancellation Request.

- 5.2 Auditors’ fees incurred with Royal Bank’s written consent solely to substantiate the amount of the Unauthorized Charge(s) the Eligible Company seeks to have waived.

6. What is a Charge that is Not Eligible to be Waived?

The following Charges are not eligible to be waived as part of the Liability Waiver Program, even if they are Unauthorized Charges:

- 6.1 A Charge made by a partner, owner, or principal shareholder who owns more than five percent (5%) of the Eligible Company’s outstanding shares, or a person who is not an employee of the Eligible Company at the time the Charge was incurred;
- 6.2 Interest or Fees imposed by Royal Bank on an outstanding unpaid Charge, except that Interest on an Unauthorized Charge is eligible to be waived;
- 6.3 A Charge to purchase goods or services for the Eligible Company, or bought for someone else if instructed or approved by the Eligible Company. However, such a Charge may be eligible to be waived if Royal Bank bills the Cardholder directly, and the Eligible Company has reimbursed the Cardholder but the Cardholder has not paid Royal Bank in accordance with section 5.1(b);

6.4 A Charge incurred after the Date of Notification of Employment Termination;

6.5 A Charge incurred after the date of the Cancellation Request;

6.6 A Charge incurred prior to the Date of Notification of Employment Termination, but the Charge is posted more than fourteen (14) days after the Date of Notification of Employment Termination;

6.7 A Charge incurred prior to the date of the Cancellation Request, but the Charge is posted more than fourteen (14) days after Royal Bank receives a Cancellation Request; and

6.8 A Charge resulting from either a lost or stolen Card or a Charge to a Card which is closed, frozen or ninety (90) or more days delinquent.

7. What are the responsibilities of the Eligible Company?

Within two (2) business days of the discovery of an Unauthorized Charge(s):

7.1 **Notification to Royal Bank.** The Eligible Company must make a Cancellation Request; and

7.2 **Notification to the Cardholder.** The Eligible Company must deliver to the Cardholder, in writing, a notice stating the Cardholder's right to use the Card has been cancelled, and instruct the Cardholder to:

- a) immediately discontinue all uses of that Card;
- b) immediately pay any outstanding Charges to Royal Bank; and
- c) immediately return the Card to the Eligible Company.

If the Eligible Company knows that a Cardholder is receiving reimbursement for Charges but is not paying Royal Bank for those Charges, the Eligible Company must promptly give written notice to Royal Bank.

8. How to make a liability waiver request

8.1 To be eligible for an Unauthorized Charge to be waived, there must be an Employment Termination Event.

8.2 A Lead Program Administrator, an Owner or an Authorized Person of the Eligible Company must send a **Request for Waiver** to Royal Bank in writing. Among the information the Eligible Company must provide in the Request for Waiver is:

- a) that the Cancellation Request has been made or the Card is no longer authorized;
- b) if applicable, that the Cardholder's employment has terminated and the Date of Notification of Employment Termination;
- c) the Cardholder's name, home address and, if the Cardholder's employment was terminated, the last known business addresses;
- d) if the Card was retrieved from the Cardholder, the date it was retrieved and confirmation that such Card is still in the Eligible Company's possession or is enclosed therein; and
- e) that the Eligible Company requests the waiver of the Unauthorized Charge(s) and, if applicable, any Interest on the Unauthorized Charge(s).

8.3 The Request for Waiver must be sent within thirty (30) days of the Cardholder's Date of Notification of Employment Termination.

8.4 All reasonably requested waiver of liability information and/or documents must be filed within six (6) months from the Cardholder's Date of Notification of Employment Termination.

9. Inquiries

Please direct any inquiries regarding the Liability Waiver Program to Royal Bank's program administrator:

RBC Insurance Company of Canada
c/o Allianz Global Assistance
Liability Waiver Program Centre
P.O. Box 277
Waterloo, ON N2J 4A4

1-800-464-3211

Please refer to Program Number LWP092021.

10. Recovery

If the Eligible Company recovers any amounts for an Unauthorized Charge(s) from any source after the Eligible Company has filed a Request for Waiver, the Eligible Company will remit all such amounts to Royal Bank. The Eligible Company agrees to assign any rights it may have to collect such amounts from the Cardholder to Royal Bank.

This Liability Waiver Program will not waive any Charge if the Eligible Company has insurance or other coverage available to it which covers such Charge(s). Should there be any Charge that exceeds the amount of all coverages available to an Eligible Company from any and all other sources, this Liability Waiver Program will waive that excess portion of the Charge subject to the terms of this Liability Waiver Program and the limits of this Liability Waiver Program.

11. Termination

The Liability Waiver Program will automatically terminate on the earlier of the following:

- a) the date the Agreement is cancelled; or
- b) thirty (30) days after the date of written notice of termination of the Liability Waiver Program by Royal Bank.

12. Misstatement

Any fraud, misstatement or concealment by the Eligible Company, either in regard to any matter affecting this Liability Waiver Program or in connection with the making of a Request for Waiver of liability shall render this Liability Waiver Program null and void.