

Client Agreement

Guaranteed Investment Certificate (GIC)



What This Agreement Covers

This Client Agreement – Guaranteed Investment Certificate (the “**Agreement**”) sets out the terms under which you can open a GIC account and place a GIC deposit (“**GIC**”) with us. It replaces all earlier versions.

When this Agreement refers to “**you**” and “**your**”, it means any person in whose name a GIC is held. If you hold a GIC with others, “**you**” and “**your**” mean each of you and all of you are individually and together agreeing to all of the terms of this Agreement.

When this Agreement refers to “**we**”, “**our**” and “**us**”, it means Royal Bank of Canada (the “**Bank**”), Royal Bank Mortgage Corporation (“**RBMC**”), Royal Trust Corporation of Canada (“**RTCC**”) and, in Quebec, The Royal Trust Company (“**RTCo**”).

Placing your GIC with us means that you have received, read and agree to the terms of this Agreement and any Special Conditions applicable to certain types of GICs. If you are a business and have entered into the Bank’s Master Client Agreement (MCA) for Business Clients, this Agreement forms part of the MCA.

Account Ownership and Signing Authority

When you open a GIC account, you tell us the name of the owner(s). Any GIC placed into that GIC account will be held in the name of the owner(s) of that account. You also tell us who has signing authority for the GIC account. If you hold a GIC account with others, you may tell us that you want “**any of you**” to have signing authority on the account. This means that any one of you can withdraw money from any GIC in that GIC account, make any changes we permit you to make to a GIC and the GIC account and give us any other instructions without telling the others. If you tell us that “**all of you**” are to sign on the GIC account, all your signatures will be required in order to withdraw money or do anything else with the GICs and the GIC account. The information about ownership and signing authority is set out on your GIC account signing authority document.

If you have a personal deposit account with us, you may also open a GIC account by telephone or in RBC® Online Banking. The information about ownership and signing authority that applies to the personal deposit account you select will also apply to your GIC account.

Confirmation Notice

We will provide you with a confirmation notice once we have instructions from you to place a GIC in your account. It shows the details of the GIC, such as its principal amount, its term, the rate of interest and any instructions on what to do at maturity. It also shows whether you may cash the GIC before the end of its term. If your GIC is non-redeemable, you may not cash it prior to maturity. If we allow you to redeem, penalties apply.

Interest

Interest in a GIC will be calculated counting the first but not the last day of the term.

If your GIC is set to mature with instructions to redeem, and the maturity date falls on January 1st, 2nd, or 3rd which falls on a weekend or holiday in lieu, the interest earned will be reported for tax purposes as the last business day of the preceding year. The funds will be deposited on the first business day following your GIC maturity date.

Payments and Renewals

You will tell us whether to pay the interest on the GIC to you periodically or to keep it with the principal. We will pay you the principal and any interest at the end of the term, or renew the GIC if you tell us to do so. You may provide us with instructions on what to do at maturity by communicating with us. To be effective, we must receive instructions at least 7 days before a scheduled payment.

Funds from GIC redemptions, interest, and maturity payments may take up to one business day following your redemption instruction or the scheduled payment date to be deposited into your bank account.

Automatic Renewal

If you have instructed us to do so, we will automatically renew your GIC at the end of its term in accordance with your instructions. The interest rate on the renewed GIC will be the same as the interest rate we offer on comparable deposits at the date of renewal, which may include any special and/or bonus rate offered at the time of renewal, if applicable. The other details of the renewed GIC will be the same as the original GIC. If the GIC is no longer offered, we will renew it as a one year redeemable GIC. You have the right to cancel a renewed GIC within 10 business days from the issuance (renewal) date, and if you do, your principal will be returned, and interest will apply from the issuance to the cancellation date.

Transfer

Some GICs can be transferred to a new owner, others cannot be. If you ask us, we will tell you whether your GIC can be transferred and what you must do to transfer it to someone else. You cannot give your GIC as security to anyone except us.

Once a GIC has been transferred by you, we will treat the new owner as if they were you, for all purposes of this Agreement.

Paying off Your Debt

We may apply the funds in a GIC against any amounts you owe us or any of our affiliated companies, without notice to you. If there is more than one owner of the GIC, we may apply the funds against any amounts any one of you owes without notice to any of you. This right will survive the death of any one of you and may be exercised by us against the GIC held by the survivors.

Payment of Taxes

You acknowledge and agree that you are responsible for any taxes owing to any taxation authority in relation to a GIC you have with us. If you have not received a tax slip from us regarding your GIC before your tax filing deadline, you should reach out to us to obtain a replacement slip.

Foreign Tax Implications

Tax Residency

You acknowledge providing us with your country (or countries) of tax residency, either at the time of account opening or within 30 days, with respect to any change in circumstances regarding your tax residency.

It is your responsibility to determine where you are resident for tax purposes, and if you are unsure whether or not you are a resident of Canada for tax purposes and/or a tax resident of another country or countries, review information available at the Canada Revenue Agency, U.S. government websites, the Organisation for Economic Cooperation and Development (OECD), and/or seek professional tax advice.

The CRA requires financial institutions to obtain from you a self-certification of tax residency when required. As such, failure to provide a valid self-certification under the Foreign Account Tax Compliance Act (“FATCA”) or Common Reporting Standard (“CRS”) will result in the temporary restraint of your account until such time as it is provided to us and verified.

Tax Identification Number (TIN)

You acknowledge providing us with your Tax Identification Number(s) associated with your tax jurisdiction(s). A TIN is a unique identifying number used for tax purposes. Where the jurisdiction of tax residence issues a TIN,

we are required to collect and report the TIN. If you are not eligible or unable to obtain a foreign TIN, you must provide a reasonable explanation. We may request from you and collect your TIN through various channels such as in person, by mail, by email, by phone or online.

Entity Classification

If you are a business that has an entity classification for the purposes of FATCA and CRS, you and any Controlling Persons, if applicable, must provide a self-certification of residency for tax purposes. The Controlling Person of an entity is defined as the natural person(s) who exercises control over the account(s).

We may rely on information in our possession including the Standard Industrial Code (SIC) to confirm the entity classification.

Additional Information

More information may be found at the following websites:

Information for **individuals** holding accounts with Canadian financial institutions:

canada.ca/en/revenue-agency/services/tax/international-non-residents/enhanced-financial-account-information-reporting/information-individuals-holding-accounts-canadian-financial-institutions.html

Information for **entities** holding accounts with Canadian financial institutions:

canada.ca/en/revenue-agency/services/tax/international-non-residents/enhanced-financial-account-information-reporting/information-entities-holding-accounts-canadian-financial-institutions.html

Quebec only: If this is a GIC with Royal Bank Mortgage Corporation or The Royal Trust Company, it is a deposit within the meaning of the Deposit Institutions and Deposit.

Deposit Insurance

Royal Bank of Canada and our affiliates, the Royal Trust Corporation of Canada, The Royal Trust Company and the Royal Bank Mortgage Corporation, are members of the Canada Deposit Insurance Corporation (CDIC). A GIC with any of these institutions is eligible for CDIC deposit insurance coverage provided it is payable in Canada. For more information, including conditions of coverage, we encourage you to learn about CDIC protection by reviewing the CDIC brochure available at <https://www.rbcroyalbank.com/partners/cdic/index.html> or CDIC’s website at <https://www.cdic.ca>.

Quebec only: If this is a GIC with Royal Bank Mortgage Corporation or The Royal Trust Company, it is a deposit within the meaning of the Deposit Institutions and Deposit.

Guarantee

The Bank guarantees all GICs placed with RBMC.

Death

Upon death, we will suspend payment of your GIC. We will wait for further instructions from the estate representatives or new owner, failing which the funds at maturity will be dealt with in accordance with the Automatic Renewal section above. We are entitled to ask for proof of death and any other documents that we may require in connection with the transmission of the GIC on death, such as Letters Probate or other documents issued by a court.

Survivorship

This paragraph does not apply to GICs at a Quebec branch, regardless of the client's residence. It applies to personal clients only.

A GIC account with more than one owner will be owned jointly with right of survivorship, subject to the Paying off Your Debt section above. The surviving owner(s) will own all the GIC funds remaining, after any debts have been paid, subject to any applicable laws about the period of survivorship. If one of you dies, the surviving owner(s) must let us know and provide us with acceptable proof of your death. Then, the surviving owner(s) may either direct us to remove your name from the GIC and place it into a GIC account in the surviving owner name(s) or request that we pay the surviving owner(s) the GIC principal and any interest. We shall be entitled to follow the direction of any surviving owner without inquiring whether they have the beneficial right to the monies and without recognizing any claims of third parties. Once we have either paid out the funds or removed the deceased owner's name from the GIC, we will be fully discharged respecting the deceased owner and their estate's interest in any GIC. By acting on the right of survivorship, we will not be liable for any loss or legal costs incurred in any dispute between the estate of the deceased owner and the surviving owner(s) or a third party.

Disputes

If there is a dispute about any GIC or the ownership of a GIC account, we may freeze the funds in any GIC until such time as the dispute is resolved, apply to the court for directions or pay the funds into court. In the event of any executions of third party demands or claims against or disputes related to a GIC, you will reimburse us any expenses we incur.

Legal Representative

You may appoint one or more Legal Representatives to act for you in respect of a GIC. However, please note the following:

1. We may refuse to accept the appointment in our sole discretion if it is not satisfactory to us.
2. We may refuse to honor any transaction made by a Legal Representative or require satisfaction of certain conditions before honoring a transaction.
3. A Legal Representative will have access to the previous history and transaction details for the GIC, and you agree to this access being provided.

Changing This Agreement

We may make changes to this Agreement at any time. If we do, we will let you know before the changes take effect.

If You Move or Change Your Name

We depend on you to tell us immediately if you change your address or name.

Governing Law

This Agreement is governed by the laws of the province or territory where the GIC account is located.

Language / Langue (Quebec residents only – Résidents du Québec seulement)

You acknowledge you have been offered the choice to enter into this Agreement in French or English. You have selected to enter into this Agreement in English, after being provided with the French version. Therefore, you agree that this Agreement and any document related to it, including notices, will be in English only. *Vous reconnaissez vous être fait offrir le choix de conclure cette convention en français ou en anglais. Vous avez choisi de conclure cette convention en anglais, après avoir reçu la version française. Par conséquent, vous acceptez que cette convention et tous les documents qui s'y rattachent, y compris les avis, soient en anglais seulement.*

For more information on GICs, please call us at 1-800-463-3863 or visit [rbcroyalbank.com/products/gic](https://www.rbcroyalbank.com/products/gic).