

PAY EMPLOYEES AND VENDORS SERVICE AGREEMENT

IMPORTANT NOTICE

This is a legal Agreement for the Service (as defined below) between Royal Bank of Canada ("**Royal Bank**") and the Royal Bank business client (the "**Customer**") on whose behalf you are authorized to sign agreements with Royal Bank. You must review this Agreement and confirm the Customer's acceptance of the terms and conditions of this Agreement, and your authorization to legally bind the Customer to this Agreement, by clicking the "**Confirm**" checkbox and "**I Agree**" below. If the terms and conditions of this Agreement are not acceptable to the Customer, or you do not have the authority to legally bind the Customer to this Agreement, then click "**I Do Not Agree**" below and contact your Royal Bank branch or account manager for further assistance.

This Agreement is made between Royal Bank and the Customer with respect to Royal Bank's automated clearing house service which enables the Customer to make payments to its employees and vendors using the 24 Hour Banking Service ("**OLB**") provided by Royal Bank to the Customer (the "**Service**").

IN CONSIDERATION of the mutual agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Scope**

This Agreement constitutes a service agreement under the Business Services Agreement or Financial Services Agreement, as applicable (as amended, restated, supplemented or otherwise modified from time to time (the "**Master Agreement**") between Royal Bank and the Customer.

The Customer's use of the Service is governed by this Agreement, the Master Agreement and the terms and conditions contained in the Service and any related Service Materials (as defined in the Master Agreement), including any related rules of operation.

2. **Definitions and Interpretation**

- (a) Unless otherwise defined herein, all capitalized terms used in this Agreement shall have the meanings given in the Master Agreement and as set forth below:

"Applicable Laws" means any and all laws, rules, regulations, guidelines, guidance, interpretations, opinions, judgements, decrees, orders, permits, licenses, certificates of authority or approvals of any Governmental Authority, and unless otherwise indicated in this Agreement, Applicable Laws are those that are applicable to (1) the Customer or its business or any other Person that is a part of or connected with any transaction under this Agreement, or (2) the transactions processed under this Agreement, the Person originating the transactions processed under this Agreement or transmitting those transactions through a payments system or otherwise and any Person receiving the aforementioned transactions. Applicable Laws shall include financial assistance laws, the CPA Rules, and all relevant Canadian anti-money laundering and anti-terrorism laws, rules and regulations;

"CPA" means the Canadian Payments Association;

"CPA Rules" means the rules, standards, guidelines and directives of the CPA;

"Electronic Access Device" means a personal computer, telephone, cell phone, smart phone, personal digital assistant or any other electronic device, including wireless devices, that Royal Bank allows the Customer to use to access the Service;

“Governmental Authority” means any country, nation or government, any province, state or other political subdivision thereof, and any Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

“Master Agreement” has the meaning given to it in Section 1;

“MSB” means the carrying on or participating in any one of the following activities:

- (i) currency dealing or exchanging;
- (ii) cheque cashing;
- (iii) issuing, selling or redeeming traveller’s cheques, drafts, money orders or any stored value medium (excluding gift cards that can be used only to purchase goods and services from the business that issued such cards); and
- (iv) the accepting of currency or funds and the transmitting of such funds through a financial institution, or any other Person engaged in a MSB or an electronic funds network;

provided that in the case of (i), (ii) and (iii) only, no such activity will be considered to be a MSB unless it shall include, on any day and with any one Person, at least one transaction in an amount of not less than \$1,000, and, for such purposes, any two or more transactions within a twenty-four (24) hour period with the same Person will be considered to be a single transaction of not less than \$1,000 if the aggregate amount of such two or more transactions shall be not less than \$1,000. In addition to (i) to (iv) above, in every instance that a Person holds a permit or a licence appertaining to a form of MSB activity not specifically enumerated in (i) to (iv) above or is registered as someone engaging in the activity of a MSB, advertises the activity of a MSB by way of or through the Internet, the yellow pages or other medium, or reports income from a MSB as income from a separate business for tax purposes, then such Person shall be deemed to be engaged in a MSB. Notwithstanding the above, if Royal Bank specifically approves, in writing, the operations of such business, for the purpose of this Agreement, such business shall be deemed not to be included in this definition.

“OLB” has the meaning given to it in the preamble of this Agreement;

“OLB Account” means any of the Customer’s Accounts (as defined in the Master Agreement) which it can access using the Service;

“Person” means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability corporation, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority, and pronouns have a similar extended meaning;

“Restricted Business” means any Person, or Person controlled directly or indirectly by a Person, that owns or operates an internet and/or on-line gambling site or is a business engaged in or associated with an improper, illegal or unlawful activity or any other business that Royal Bank may, in its sole and absolute discretion, determine is a restricted business;

“Unauthorized Transactions” has the meaning given to it in Section 21; and

“US” means United States of America.

(b) In this Agreement:

- (i) all references to any agreement (including any schedule) or to any law, statute, regulation, guideline, policy, rule, standard, or otherwise include same as may be amended, restated, supplemented or otherwise modified from time to time;
- (ii) all references to any association or administrative, governmental or regulatory entity, including any Governmental Authority, include any successors of such association or entity;
- (iii) the division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof;
- (iv) words denoting the singular number only shall include the plural and vice versa, words denoting the masculine gender shall include the feminine and neuter genders and vice versa, as the context otherwise permits;
- (v) the word "including" means "including without limitation" and the word "includes" means "includes without limitation";
- (vi) the words "hereto," "herein," "hereof," "hereunder," "this Agreement" and similar expressions mean this Agreement as a whole and not any particular Section or subsection unless the context otherwise requires; and
- (vii) unless otherwise specified, all dollar amounts referred to in this Agreement are in lawful money of Canada.

3. Service

The Customer may use the Service in accordance with this Agreement to make payments, in Canadian or US dollars, from its OLB Accounts to accounts located at other financial institutions in Canada.

4. OLB Accounts

The Customer acknowledges and agrees that it shall only use the Service to make payments from its OLB Accounts, and not from any other account held by the Customer or any other Person with Royal Bank.

5. Payment Limits

Royal Bank may establish one or more limits (dollar amounts or otherwise) for payments made using the Service, and Royal Bank may, in its sole and absolute discretion, and without prior notice, increase, reduce or otherwise change these limits from time to time.

6. Available Funds, OLB Account Debits, Etc.

Royal Bank will process all payments on the terms and conditions set forth in this Agreement and in accordance with the Customer's instructions, provided that (i) the payments do not exceed the limits established by Royal Bank pursuant to Section 5, and (ii) there are sufficient funds available in the applicable OLB Account at the time the instructions are submitted to Royal Bank. Royal Bank will debit the funds from the applicable OLB Account at the time the instructions are submitted to Royal Bank, even for payments which the Customer has post-dated. All such funds will be held by Royal Bank until the payment date requested by the Customer, and the Customer acknowledges and agrees that these funds will not earn interest during this hold period.

7. Foreign Exchange Risk

The Customer acknowledges and agrees that Royal Bank may convert funds of a different currency to be credited to or debited from an OLB Account in connection with the Service, at the applicable currency conversion rate established by Royal Bank for such purpose. The Customer acknowledges that payments may not be made or returned on the same date that funds are converted by Royal Bank. The Customer is solely responsible for any liabilities arising as a result of a change to Royal Bank's currency conversion rates, including any loss in the value or amount of a payment due to an adverse change to such rates.

8. Beneficiary Accounts

The Customer acknowledges and agrees that, although funds will be debited from its OLB Account on the date it submits the payment instructions to Royal Bank, the beneficiary of the payment may not receive the funds on such date or otherwise on the date the Customer instructs. Royal Bank is not responsible for the actions or omissions of any other Person, including other financial institutions and beneficiaries receiving payments, in connection with the Service.

9. Third Party Disputes

Royal Bank is not responsible for any dispute the Customer may have with any Person as a result of the Service, and the Customer assumes full responsibility for resolving any such dispute directly with the Person in a manner that does not adversely affect Royal Bank. Without limiting the foregoing, Royal Bank is not responsible if the Person (i) does not credit the Customer for a payment for whatever reason, (ii) charges the Customer fees or penalties related to a payment, or (iii) does not supply the goods or services purchased or the goods or services supplied are not suitable.

10. No Payment Changes

Once payment instructions are processed by Royal Bank, Royal Bank is under no obligation to cancel or amend any payment.

11. Applicable Laws, Etc.

The Customer represents, warrants and covenants to Royal Bank that the Customer, each of its payments and its use of the Service complies with Applicable Laws. The Customer acknowledges and agrees that Royal Bank may, without prior notice, decline or reject any payment if Royal Bank determines, in its sole and absolute discretion, that (i) the payment may not comply with this Agreement or Applicable Laws, (ii) the Customer or the beneficiary of any payment is engaging in fraudulent, unlawful or improper activity, or (iii) an error or mistake has occurred.

12. No MSB, Restricted Business or Third Parties

The Customer represents, warrants and covenants to Royal Bank that it is not engaged in, and will not use the Service in connection with, directly or indirectly, any MSB or Restricted Business. Without limiting the foregoing, the Customer will not use the Service to make payments, directly or indirectly, for or on behalf of any other Person.

13. Other Prohibitions on Use

Without limiting any other provision of this Agreement, the Customer will not access or use the Service for any fraudulent, unlawful or improper activity, including for any malicious or defamatory purpose, or take any action that could undermine the security, integrity, effectiveness, goodwill or connectivity of the Service, including any activity that could threaten or cause harm to any Person.

14. Accuracy of Information

The Customer is responsible for the accuracy and completeness of all information provided to Royal Bank in connection with the Service, and Royal Bank is authorized and directed to rely on such information for the purpose of the Service. Royal Bank is under no duty to detect any inaccurate, inconsistent or incomplete information provided to it in connection with the Service.

15. Beneficiary Information

Royal Bank may, without prior notice, change the beneficiary information provided by the Customer if the beneficiary or its financial institution instructs Royal Bank to do so, or if Royal Bank otherwise believes such change is necessary.

16. Security

The Customer is responsible for establishing, implementing and maintaining procedures to safeguard against unauthorized transmissions to Royal Bank, and will ensure that no instructions are sent to Royal Bank in the absence of proper supervision and safeguards. Without limiting the foregoing, the Customer agrees to implement and maintain safe computing practices, including up-to-date virus scanning software and a firewall system.

17. Unsecure Electronic Communication

The Customer acknowledges and agrees that if it uses, or if it authorizes and directs Royal Bank to use, email, facsimile, or any unencrypted form of electronic communication in connection with the Service, the security, reliability, privacy and confidentiality of such communication cannot be ensured. Any such communication could be subject to interception, loss or alteration, and may not be received by the intended recipient in a timely manner or at all. The Customer assumes full responsibility for the risks associated with such communication, and shall notify the intended recipients, including beneficiaries of payments, of the communication methods that it uses or has authorized and directed Royal Bank to use in connection with the Service.

18. Security Devices

The Customer must always keep its security devices (including cards, tokens and passwords) strictly confidential. The Customer must not disclose its security devices to any unauthorized Person.

19. Notice of Unauthorized Transactions, Etc.

The Customer agrees to notify Royal Bank immediately, followed by written confirmation as soon as practicable, if the Customer knows or reasonably ought to know that any unauthorized Person may have access to its security devices, OLB Accounts or the Service, or if the Customer becomes aware of any Unauthorized Transactions or other actual or potential use of its security devices, OLB Accounts or the Service in a manner contrary to this Agreement. The provision of such notice, however, will not affect any payments made in good faith by Royal Bank prior to receipt of such notification.

20. Binding Agreement

The Customer represents, warrants and covenants to Royal Bank as follows:

- (i) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary actions and do not and will not conflict with its constituting documents or other obligation binding on the Customer; and

- (ii) this Agreement, constitutes a legal, valid and binding obligation of the Customer, enforceable against it in accordance with its terms.

21. **OLB Guarantee for Unauthorized Transactions**

- (a) Subject to subsections (b) and (c) below, and notwithstanding any other agreement between the parties, Royal Bank will reimburse the Customer for monetary losses from its OLB Accounts caused directly by the following transactions in connection with the Service ("**Unauthorized Transactions**"):
 - (i) unauthorized transactions that occur using the Service after Royal Bank's receipt of notice from the Customer in accordance with Section 19;
 - (ii) unauthorized transactions where it can be shown that the Customer has been a victim of fraud, theft or has been coerced by trickery, force or intimidation, so long as the Customer reports the incident to Royal Bank immediately and cooperates and assists Royal Bank fully in any investigation; and
 - (iii) unauthorized transactions resulting from negligent conduct by Royal Bank.
- (b) Royal Bank is not responsible for and will not reimburse the Customer for any losses in the event of any of the following:
 - (i) the Customer does not comply with any of its obligations under this Agreement, the Master Agreement or the terms and conditions contained in any related Service Materials;
 - (ii) the Customer engages (either alone or with others) in any fraudulent, unlawful, improper or dishonest acts or omissions;
 - (iii) the Customer accesses the Service using an Electronic Access Device that it knows or reasonably ought to know contains software that has the ability to reveal to an unauthorized Person, or to otherwise compromise, its security devices;
 - (iv) the Customer carries out a transaction, including if the transaction is a result of any mistake, error, omission, inaccuracy or other inadequacy of, or contained in, any data or information, that the Customer provides to Royal Bank; or
 - (v) the Customer consents to, contributes to or authorizes the transaction in any way, including if the Customer discloses a security device (including cards, tokens and passwords) to any unauthorized Person.
- (c) Royal Bank is not responsible for and will not reimburse the Customer for any loss of data or any indirect, consequential, special, aggravated, punitive or exemplary damages whatsoever, in whole or in part, including any business interruption, loss of profits, data, information, opportunity, revenues, goodwill or any other commercial or economic loss, regardless of the cause of action, even if the foregoing is caused by negligence on the part of Royal Bank and even if Royal Bank has been advised of the possibility of such damages.

22. **Notices**

Royal Bank may deliver any notice in connection with this Service, including notice of the fees and changes to the fees relating to the Service, through OLB or to the Customer's email or mailing address last shown on Royal Bank's records.

23. Amendments

Royal Bank may amend, supplement, restate or otherwise modify this Agreement by providing the Customer with notice of such change either before or after the change takes effect. If the Customer uses the Service 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.

24. Termination

Either party may terminate this Agreement on thirty (30) days prior written notice to the other party. Notwithstanding the foregoing, Royal Bank may suspend or terminate this Agreement, in whole or in part, without prior notice to the Customer, in the event of (i) an actual or potential breach of Applicable Law by the Customer, Royal Bank or the Service, (ii) a material breach of this Agreement, the Master Agreement or any related Service Materials by the Customer, or (iii) an act of or towards insolvency or bankruptcy of the Customer.

To acknowledge that the Customer has read, understood and agrees to be bound by this Agreement, and that you have the authority to legally bind the Customer to this Agreement, click the **"Confirm"** checkbox below.

☐ Confirm

To further confirm the Customer's acceptance of the Agreement and that you have the authority to legally bind the Customer to this Agreement, click "I Agree".

If the terms and conditions of this Agreement are not acceptable to the Customer, or you do not have the authority to legally bind the Customer to this Agreement, then click **"I Do Not Agree"** and contact your Royal Bank branch or account manager for further assistance. If you click **"I Do Not Agree"** you will be automatically returned to the OLB home page.

You can print a copy of this Agreement at this time for your files. In addition, a copy of this Agreement is available in OLB under the link labeled **"Legal"** in the web page footer.