

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON FEBRUARY 18, 2020</b>
<b>FROM:</b>	<b>ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>SINGLE SOURCE 20-06 ONTARIO WORKS ROYAL BANK OF CANADA RIGHT PAY RELOADABLE PAYMENT CARD PROGRAM AGREEMENT</b>

<b>RECOMMENDATIONS</b>
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That on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions **BE TAKEN** with respect to Royal Bank of Canada Right Pay™ Reloadable Payment Card Services for Ontario Works Clients:

- a) That approval hereby **BE GIVEN** to enter into a Single Source contract, Reloadable Payment Card Agency Services for Ontario Works Clients, with the Royal Bank of Canada (RBC), effective up to September 9, 2024;
- b) That the attached proposed By-law (Appendix A) **BE INTRODUCED** at the Municipal Council meeting of March 2, 2020:
  - i. **TO APPROVE** any contract or other documents, if required, in a form or forms required by RBC and The Corporation of the City of London for RBC Right Pay Reloadable Payment Card Services for Ontario Works Clients; and
  - ii. The Mayor and City Clerk **BE AUTHORIZED** to execute any contract in a) above or other documents, if required, in a form or forms acceptable to the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer to give effect to these recommendations.
- c) That Civic Administration **BE AUTHORIZED** to undertake all administrative acts that are necessary in connection with this project, and
- d) The approval hereby given **BE CONDITIONAL** on the Corporation of the City of London entering into a formal contract with RBC, or having purchase orders issued relating to the subject matter of this approval.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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Community and Neighbourhoods Committee, meeting on September 27, 2011, agenda item 9 - Reducing the Cost of Cashing Government of Ontario Cheques and Simplifying Access to Mainstream Financial Services:

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=280>

## **LINK TO 2019-2023 STRATEGIC PLAN**

Council's 2019-2023 Strategic Plan for the Corporation of the City of London (the City) identifies 'Leading in Public Service' as a strategic area of focus. The addition of the RBC Right Pay Reloadable Payment Card Program for Ontario Works will improve client experience, improve fiscal responsibility, improve cost efficiency and create service efficiencies contributing to Londoners experiencing exceptional and valued customer service.

## **BACKGROUND**

The Government of Ontario (the Province) is committed to reforming and modernizing social assistance, including frontline service delivery. Individuals on social assistance expect modern, people-focused services that meet their needs for a better, more respectful, experience with more flexibility and greater access to services. By working with staff and listening to participants, the Ministry of Children, Community and Social Services (the Ministry) has developed a strategy for service modernization focused on making necessary policy, process and technology-enabled changes. While the City's participation in the reloadable payment card program is currently voluntary, City Social Services is committed to embracing opportunities that improve the client experience and participating in modernization initiatives focusing on progressive service delivery approaches, including improved technology and access to benefits. The 2020 Ministry priorities identify an expectation for all municipal partners to align with efforts that will increase electronic payments and enable targets to be met (95% electronic payments). Priorities will be monitored and measured as part of quarterly performance reports as well as Service Plan updates and negotiations.

As part of the Social Assistance Modernization Strategy, the Ministry, is implementing a reloadable payment card program for Ontario Works clients. This new electronic method of payment for Ontario Works clients will provide a safer, more efficient option to issue social assistance when clients are unable to open or maintain a bank account as compared to cheques. Direct bank deposit (DBD) will continue to be the preferred method of payment for Ontario Works clients who have an active bank account. Reloadable payment cards will also help clients avoid paying expensive fees to cash their social assistance cheques at alternate financial institutions (i.e. cheque cashing stores). Further, reloadable payment cards offer the following key benefits:

- a) Increase social inclusion as clients will be using a card similar to other bank cards on the market;
- b) Improve client service and accountability by reducing the need to replace lost, stolen or damaged cheques;
- c) Provide enhanced security by using PIN and chip technology and reducing the need to carry cash;
- d) Improve fiscal responsibility and cost efficiency by reducing the use of printed cheques by promoting increased usage of electronic methods of payment; and
- e) Create service efficiencies by reducing staff workload associated with processing and replacing lost/stolen/damaged paper cheques.

Once a reloadable card is issued to the client, social assistance benefit payments are loaded onto the client's payment card. When purchases are made or cash is withdrawn at an automated teller machine (ATM), money is deducted from the card until the balance is zero. Funds continue to be loaded on the same card as long as the client is eligible for social assistance. The reloadable card can be used anywhere RBC VISA prepaid cards are accepted, so purchases can be made online, by phone or at a retail location.

As noted above, DBD will remain the preferred method of payment for Ontario Works clients. In 2019, approximately 82% of City of London Ontario Works client payments were issued by DBD. The provincial target for electronic payments is 95%, which includes DBD and reloadable payment cards. As previously mentioned, this target will be measured and monitored as part of the 2020 Service Plan, specifically within the provincial priority to strengthen program integrity. As part of the priority to strengthen program integrity, the following is included with respect to reloadable payment cards:

*The Ministry continues to drive efforts to move clients and vendors to electronic payments. With the introduction of the Reloadable Payment Card (RPC) and electronic payments to third parties (e.g., vendors and landlords) the Ministry will continue to measure delivery partners efforts to transition clients and vendors from cheques to electronic payments (including DBD) (MCCSS, January 2020).*

## **Agreements**

The reloadable payment card service is being offered by RBC Right Pay™ Visa Prepaid Card product through RBC to all Ontario Works Delivery Agents. In order to participate in this program, Ontario Works Delivery Agents must:

- a) Execute a Master Client Agreement with RBC to facilitate opening a deposit account and a transactional risk facility (credit) with RBC against the deposit account. The Master Client Agreement sets out the general terms and conditions for all RBC services. It also sets out legal terms for specific services and contains rules of interpretation and defined terms for the services. The customer is bound by this agreement when the customer is enrolled in, authorized or uses a Service provided by RBC. This agreement will allow the City to open a deposit and settlement account in order to facilitate the process of loading funds to a card. This agreement is attached as Appendix A, Schedule 1.
- b) Execute a Delivery Agent Agreement with RBC  
This agreement sets out the terms and conditions of the program and is standard for all participating Ontario Works Delivery Agents. This agreement is attached as Appendix A, Schedule 2.
- c) Execute a Statement of Work Agreement with RBC  
This agreement sets out the service levels, pricing, fees and implementation timelines. This agreement is attached as Appendix A, Schedule 3.

The agreement with RBC will be effective until September 9, 2024, unless terminated or renewed in accordance with Article 13, of the Delivery Agent Agreement.

## **Procurement Policy Compliance**

The Province has determined the supplier to be RBC. RBC is the Province's vendor of record for banking services. RBC was awarded the Master Banking Agreement pursuant to an open competitive tender process for the provision of master banking services for the Province and its ministries, which included prepaid card services. The Ministry leveraged the Master Banking Agreement for prepaid card services for the Ontario Disability Support Program Reloadable Payment Card program. Subsequently, via a separate agreement between the Ministry and RBC, the solution was expanded to Ontario Works.

Using the Ministry's vendor of record for banking services, RBC's Right Pay™ Visa Prepaid Card product supports card portability and cross-program payments:

- a) The card can transfer between programs (OW, ODSP and Assistance for Children with Severe Disabilities (ACSD)), i.e. when a cardholder transitions from OW to ODSP, they will keep their card;
- b) The card can transfer between participating municipalities for OW i.e. if a OW cardholder moves from London to another participating municipality, they will keep their card; and
- c) The cardholder can receive payments for social assistance from multiple programs on one card, i.e. a cardholder receiving Temporary Care Assistance (TCA) from OW and ODSP from the Ministry can get payment from both programs on their single card.

The Ministry is funding this program as part of the contracted program delivery funding envelope provided for the delivery of the Ontario Works program by the City. This envelope is funded 50% by the Ministry up to the contracted amount.

In accordance with the Municipal Council approved Procurement of Goods and Services Policy, this procurement is categorized as a 'Single Source' as there is more than one source of supply in the open market, however only one source is recommended due to predetermined and approved specifications. The Single Source process under section 14.4 part i) "*another organization is funding or substantially funding the acquisition and has determined the supplier, and the terms and conditions of the commitment into which the City will enter are acceptable to the City*" was applied.

RBC's Right Pay™ Visa Prepaid Card is currently being used by a number of municipalities including; City of Toronto, Region of Peel, Brant County, Wellington County, City of Greater Sudbury, City of Ottawa, Niagara Region, City of Thunder Bay and City of Kawartha Lakes. It is also being used by the Ontario Disability Support Program through the Ministry of Children, Community and Social Services.

The City's bank of record is currently Bank of Nova Scotia, "Scotiabank". The City has obtained consent from Scotiabank to enter into this contract with RBC.

### **Risk Considerations**

A number of risk considerations were identified in the agreements with RBC. Despite Civic Administration's efforts, RBC will not amend the Master Client Agreement and related Statements of Work. This is a one-sided agreement written to shift risk from the RBC to the City. Civic Administration highlights the following articles of the agreement:

- a) Article 1.3, 1.4 - Unauthorized Use and Third Party Use

The City will be responsible and indemnify and hold harmless RBC and its Representatives, for all losses arising out of, or incidental to, the use, including any unauthorized use, of the services or service materials by each person, including all actions or omissions of the person.

- b) Article 2.2 - Fees

This article provides that RBC may change any fees or charges, or add any new fees or charges, at any time.

c) Article 6.8 - Communication Methods

This article provides that RBC may use mail, courier, unencrypted documents, or unencrypted Electronic Channels, including facsimile or email, in connection with the services provided. The City assumes full responsibility for the risks associated with these communication methods.

d) Article 13 - Liability and Disputes

RBC has limited its liability under the agreement to losses caused directly by its negligence or wilful misconduct. RBC will not be responsible for any losses that are indirect, consequential, special, aggravated, punitive or exemplary damages, including lost profits.

The City is agreeing to indemnify and hold harmless RBC from and against any losses, other than losses caused by RBC's negligence or wilful misconduct, in connection with the agreement, the services or any other dealing between RBC and the City.

e) Article 13.3 - Waiver and Release

RBC provides service features which are intended to detect and deter forged, fraudulent or unauthorized instruments. If the City does not implement any of these services or service features, the City is precluded from making any claim against RBC for a forged, fraudulent, or unauthorized instrument that such service or service feature is intended to detect or deter. RBC will not be responsible for losses in these circumstances.

f) Article 13.7 - Notice of Claim

The City must immediately notify RBC, verbally and in writing, of any loss or dispute which it becomes aware of in connection with this agreement or any service.

g) Article 14.3 - Changes to Agreement

RBC may at any time amend, supplement, restate, or otherwise change this Agreement by giving the Customer notice of the change through announcements on Royal Bank's website for the Services or otherwise in accordance with the agreement. If the services are used after the date of the notice of change or effective date of the change, whichever is later, the City will be deemed to have agreed and consented to the change.

While Civic Administration has highlighted the above risks, these risks are tempered by the following considerations:

- a) There is significant regulatory oversight of RBC by the Financial Consumer Agency of Canada (FCAC) and the Office of the Superintendent of Financial Institutions (OSFI). In addition, RBC must adhere to legislative requirements such as the Bank Act and applicable regulations along with common law requirements which afford clients certain protections which are of utmost importance to RBC.
- b) The prepaid processing platform for Ontario Works provides the highest level of security far exceeding the payment card industry data security standards, PCI-DSS. In addition, internal security standards enforce policy and ensure that the level of protection for card data meets and exceeds PCI-DSS requirements.

- c) Ongoing certification, monitoring and enforcement ensure that security standards are continually met. The Web-Services API (application programming interface) includes support for the Transport Layer Security (TLS) and the Secure Sockets Layer (SSL) cryptographic protocols and provides complete, application-to-application encryption using trusted certificates which are renewed on a regular basis. The platform utilizes secure file delivery, where all components of the file transmission process are fully encrypted and no portion is transmitted in the clear or vulnerable to “sniffing.” RBC utilizes two way SSL for server and client authentication and TLS 1.2 between RBC and the Ministry.

Other municipalities, such as Region of Waterloo, experienced similar resistance from RBC to make any changes to the Master Client and related agreements. As mentioned, the RBC Right Pay™ card is portable, from region to region, and therefore the agreement is standard for all public sector clients.

### **Financial Impact**

Funding for the RBC Right Pay™ Reloadable Payment Card services is supported by the base budget for Social and Community Support Services in the 2020-2023 Multi-Year Draft Budget, as tabled on December 17, 2019, and subject to Council approval of the 2020-2023 Multi-Year Budget on March 2, 2020. The expenditures are partially offset by provincial subsidy. The number of cards issued will be limited to the amount of budget and provincial subsidy available for this program.

To accommodate available funding, financial processes and program considerations, City of London Social Services will implement a phased in approach to transition clients from receiving benefit payments by cheques to reloadable payment cards. The transition will include reviewing the option of DBD for clients currently receiving benefits by cheque prior to issuing a reloadable payment card. This transition will occur in stages, by decentralized site with consideration to client circumstances. With a 95% target set for electronic payments, it is expected that approximately 5% of payments will continue to be issued by cheque when DBD and reloadable payment cards are not suitable options for clients.

In 2019, the City issued an average of 13,700 payments for social assistance per month; 2,500 (18%) by cheques and 11,200 (82%) by direct bank deposit. With the phased-in approach, it is expected to transition up to 375 clients in 2020 and in future years an upper range of 1,815 clients is projected. The estimated cost to implement and administer this program is in the range of \$12,000 - \$62,000 annually, depending on the number of clients utilizing the card, noting that these costs will be offset by provincial subsidy up to a maximum of 50%.

The costs are based on per card fees as follows:

- \$16 per registered card for client (one-time fee and includes initial load fee)
- \$5 per replacement card issued
- \$2 monthly load fee per active card

<b>CONCLUSION</b>
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As part of the Social Assistance Modernization Strategy, the Ministry of Children, Community and Social Services is implementing a reloadable payment card program for Ontario Works clients. The reloadable payment card service is being offered by RBC Right Pay™ Visa Prepaid Card product through RBC. In order to participate in this program, which will provide an opportunity to improve the client experience and align with Ministry efforts to increase electronic payments, noting risks identified, the City is required to execute the Master Client Agreement, Delivery Agent Agreement and Statement of Work Agreement with RBC.

<b>PREPARED BY:</b>	<b>REVIEWED BY:</b>
<b>ANNETTE RIPEPI, CPA, CA FINANCIAL BUSINESS ADMINISTRATOR</b>	<b>BRYAN BAAR, CPA, CA SENIOR FINANCIAL BUSINESS ADMINISTRATOR</b>
<b>CONCURRED BY:</b>	<b>RECOMMENDED BY:</b>
<b>IAN B. COLLINS, CPA, CMA DIRECTOR, FINANCIAL SERVICES</b>	<b>ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>

Attach.

Cc: Sandra Datars Bere - Managing Director, Housing, Social Services and Dearness Home  
Kevin Dickins - Manager, Employment and Income Supports  
Kyle Murray - Director, Financial Planning & Business Support  
Elaine Sauve- Program Supervisor, Ministry of Community and Social Services  
Sharon Swance - Manager of Accounting

Appendix A

Bill No.

By-law No.

A By-law to approve the Agreement between the Royal Bank of Canada and The Corporation of the City of London.

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 8 of the *Municipal Act, 2001* provides that powers of a municipality shall be interpreted broadly so as to confer broad authority on a municipality to govern its affairs as it considers appropriate and to enhance the municipality's ability to respond to issues;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001* provides that a municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

AND WHEREAS the Corporation of the City of London is a delivery agent designated by the Minister of Community and Social Services to administer the *Ontario Works Act, 1997*;

AND WHEREAS the Ministry, as part of the Social Assistance Modernization Strategy, has implemented a reloadable payment card program for Ontario Works clients;

AND WHEREAS it is deemed expedient for The Corporation of the City of London to enter into an agreement with the Royal Bank of Canada;

AND WHEREAS it is appropriate to authorize the Mayor and City Clerk to execute the agreement on behalf of the City;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Master Services Agreement, the RBC Right Pay Reloadable Payment Card Program Delivery Agent Agreement, and Statement of Work Pursuant to the RBC Right Pay Reloadable Payment Card Program Delivery Agent Agreement (the "Agreement") attached as Schedule 1, 2, and 3 respectively, is hereby authorized and approved.
2. The Mayor and City Clerk are authorized to execute the Agreement authorized and approved under section 1 of this by-law.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council , 2020

Ed Holder  
Mayor

Cathy Saunders  
City Clerk

First Reading –  
Second Reading –  
Third Reading –



# Master Client Agreement

For business clients

Legal terms and conditions

RBC Royal Bank



## INTRODUCTION

These Legal Terms and Conditions form part of the Master Client Agreement between Royal Bank and the Customer. The Agreement is in parts, and each part is incorporated into the others.

These Legal Terms and Conditions govern the use of Services, and contain:

**Part A – general terms applicable to all Services;**

**Part B – additional legal terms for specific Services; and**

**Part C – glossary containing rules of interpretation and defined terms.**

The Customer is bound by the Agreement when the Customer enters the Agreement or when the Customer is enrolled in, authorized for, or uses a Service.

## PART A – GENERAL TERMS

### 1. General Services

1.1 Use in Compliance with Agreement. The Customer will comply with the terms and conditions of this Agreement, including applicable Service Materials, in connection with each Service used by or on behalf of the Customer.

1.2 Enrolment. In order to use any Service, the Customer must satisfy Royal Bank's eligibility requirements for the Service and provide Royal Bank all enrolment information, forms, schedules, and other Documents (each, a "Schedule") it requests, in form and substance satisfactory to Royal Bank. Each Schedule is deemed to be incorporated in this Agreement immediately when given effect by Royal Bank, without any other action required by Royal Bank, the Customer, or any other Person. Royal Bank is under no obligation to provide any Service to the Customer, and Royal Bank's records are conclusive as to the Services being provided to the Customer at any given time.

1.3 Authorized Persons Only. The Customer represents, warrants, covenants, and agrees that each of the Services and Security Devices will only be used by Persons properly authorized on its behalf for such purpose. Unless otherwise specified in an Authorization Form, the Customer represents, warrants, covenants, and agrees that each such Person: (i) has the power and authority to exercise all rights, powers, and authorities in connection with this Agreement and each of the Services, including to incur liabilities and obligations and otherwise conduct and transact any business whatsoever on the Customer's behalf, and to delegate any of these rights, powers, and authorities to any other Person; (ii) may be provided Security Devices and other Service Materials; and (iii) will comply with this Agreement and any other Document relating to the Services. The Customer is responsible, and will indemnify and hold harmless Royal Bank and its Representatives, for all Losses arising out of, or incidental to, the use, including

any unauthorized use, of the Services or Service Materials by each such Person, including all actions or omissions of the Person. The Customer further confirms that each Person who exercises or delegates any rights, powers, or authorities for the Services through an Electronic Channel is authorized to do so, including acting alone if required for a Service, notwithstanding anything to the contrary which may be specified in an Authorization Form. The Customer will provide Royal Bank with at least thirty (30) days' prior written notice of any change to a Person or a Person's authority specified in an Authorization Form. The change will only be effective once it is implemented by Royal Bank. Royal Bank may, in its discretion, with or without prior notice, accept, reject, or terminate any Person's use of a Service or Document at any time.

**1.4 No Third Party Use.** No Service may be used, directly or indirectly, by, for, or on behalf of any Person other than the Customer, unless otherwise agreed in writing by Royal Bank. Where Royal Bank has agreed in writing to the use of a Service by, for, or on behalf of another Person, the Customer will provide Royal Bank any Document it requests, in form and substance satisfactory to Royal Bank. For these purposes, the Customer represents, warrants, covenants, and agrees that the Customer: (i) has the power and authority to exercise all rights, powers, and authorities to act on behalf of the Person in connection with each of the Services, including to incur liabilities and obligations and otherwise conduct and transact any business whatsoever on the other Person's behalf, and to delegate any of these rights, powers, and authorities to any other Person; (ii) may be provided the other Person's Security Devices and other Service Materials; and (iii) will comply with this Agreement and any other Document relating to the Services. The Customer is responsible, and will indemnify and hold harmless Royal Bank and its Representatives, for all Losses arising out of, or incidental to, the use, including any unauthorized use, of the Services or Service Materials by, for, or on behalf of any other Person, including all actions or omissions of the Customer or other Person. The Customer further confirms that it is authorized to exercise and delegate all rights, powers, or authorities for the Services through an Electronic Channel, including acting alone if required for a Service, notwithstanding anything to the contrary which may be specified in an Authorization Form. Royal Bank may, in its discretion, with or without prior notice, accept, reject, or terminate the use of a Service or Document for this purpose at any time, including if the Customer or other Person ceases to be a Royal Bank client.

**1.5 No Improper Use.** No Service may be used for, or in connection with, any fraudulent, unlawful, dishonest, or other activity unsatisfactory to Royal Bank, including for any malicious or defamatory purpose, and nothing will be done which could undermine the security, integrity, effectiveness, goodwill, or connectivity of any Service, including any activity that could threaten or cause harm to Royal Bank or any other Person.

**1.6 Notice of Unauthorized Use.** The Customer will immediately notify Royal Bank, verbally and in writing, if any Service Materials are lost or stolen or if there is any unusual, suspicious, actual or suspected fraudulent or other unauthorized use in relation to a Service, including if: (i) any unauthorized Person has had, or may have, access to any Service, Security Device or other Service Materials, Document, or Electronic Channel; or (ii) any Service, Security Device or other Service Materials, Document, or Electronic Channel has been, or may be, used in a manner contrary to this Agreement. The provision of notice as outlined above will be in accordance with any instructions provided by Royal Bank, and will not affect any good faith actions or omissions by Royal Bank prior to or after receipt of such notice.

**1.7 Monitoring; Restrictions, etc.** Royal Bank may, without prior notice, monitor and examine all aspects of the use of Services. Royal Bank may, without obligation or prior notice, immediately take any action that it deems necessary or appropriate in connection with any Service, including to restrict access to, freeze, or suspend any Service, or decline, freeze, retain, reverse, return, or otherwise refuse to act on, honour, or process any Document or related transaction. Royal Bank may notify and provide data and information to any Regulatory Authority regarding the foregoing. Royal Bank will not be liable to the Customer or any other Person for any action taken or not taken by Royal Bank in connection with the foregoing.

**1.8 Set-off.** Royal Bank may, at any time, and without notice, apply any credit balance (whether due or not) in any Account, or in any other account in the Customer's name or to which the Customer is beneficially entitled, maintained at any branch or agency of Royal Bank inside or outside Canada, towards the payment of any obligation (including any contingent obligation) of the Customer to Royal Bank whether in the same or other currency. Royal Bank may use all or any part of any such credit balance to buy any currencies that may be necessary to effect that application. This right of set-off is in addition to, and in no way derogates from, Royal Bank's rights of consolidation and set-off under Applicable Laws.

**1.9 Subcontractors.** Royal Bank may subcontract the performance of the Services, in whole or in part, to any other Person, provided that Royal Bank shall remain responsible for the Services in accordance with this Agreement.

## 2. Fees and Charges

**2.1 Payment Obligation.** The Customer will pay Royal Bank's standard fees and charges applicable to the Services when they are due, unless otherwise agreed in writing by Royal Bank, together with applicable taxes. All fees and charges are expressed exclusive of sales tax, deductions and withholdings. The amount of any sales tax will be charged by Royal Bank and will be payable by the Customer to Royal Bank in addition to the fees and charges expressed. If any deductions or withholdings are payable,

the fees and charges may be increased by the amount of such deductions or withholdings.

2.2 Changes. Subject to compliance with Applicable Laws, Royal Bank may change any fees or charges, or add new fees or charges, at any time.

2.3 Other Obligations. The Customer is responsible for the payment of any fees, charges, taxes, or other amounts owing to other Persons in connection with the Services.

2.4 Payment Method. Royal Bank may debit any Account to collect fees, charges, taxes, and other amounts owing in connection with the Services. Royal Bank may also debit any account held by the Customer at another financial institution, provided that the Customer will execute and provide Royal Bank a pre-authorized debit agreement or any other Document requested by Royal Bank for such purpose, in form and substance satisfactory to Royal Bank. Royal Bank and other Persons, including intermediaries and beneficiaries' financial institutions, may also deduct applicable fees and charges from the amount of an Instrument. Unless otherwise agreed in writing by Royal Bank, payment must be made in money which is legal tender at the time of payment.

### 3. Information

3.1 Accuracy of Information. The Customer is responsible for the accuracy and completeness of all information provided to Royal Bank, and Royal Bank is authorized and directed to rely on such information. Royal Bank is under no duty to detect any inaccurate, inconsistent or incomplete information provided to it in connection with any Service. If necessary to give effect to instructions for a Service, Royal Bank may change the information provided to it, including names and account numbers. If Royal Bank receives a request to reverse or change previously given instructions and this request is not received within the times prescribed by Royal Bank, Royal Bank is under no obligation to implement the reversal or change.

3.2 Statement Verification. The Customer is responsible for verifying the completeness and correctness of each statement provided by Royal Bank. If a statement is not received or cannot be accessed within ten (10) days of the applicable statement date, the Customer will notify Royal Bank within five (5) days. The Customer is responsible for notifying Royal Bank of any errors in, or omissions from, each statement within forty-five (45) days of each statement date. At the end of the forty-fifth (45th) day following each statement date, the statement prepared by Royal Bank will be deemed correct and will be conclusive evidence that all entries and balances contained in it are correct, provided that this will not apply with respect to any errors or omissions of which Royal Bank is notified as outlined above, amounts credited in error, or any other amounts that Royal Bank may debit pursuant to this Agreement. The notification periods in this Agreement commence on the applicable statement date, regardless of the means of

delivery of the statement or whether or not the Customer receives the statement.

3.3 Intraday. Intraday or same day information available using the Services is subject to change, and must be subsequently verified by the Customer.

3.4 Record Keeping. Each party will retain copies of all records relating to the Services in the manner and for the minimum time periods required by Applicable Laws. Royal Bank's records will, in the absence of manifest error, constitute conclusive evidence of their contents.

3.5 Functionality and Features. Not all of the same functionality or features may be accessible or available at all times for all Services or Electronic Channels.

### 4. Instruments

4.1 Instruments. All Instruments must comply with Applicable Laws and any other specifications provided by Royal Bank. Royal Bank may present and deliver Instruments for payment, clearing, collection, acceptance or otherwise through any financial institution or other Person, and in any manner, as it deems appropriate. Royal Bank may also accept and deliver any form of settlement or payment for any Instrument as it deems appropriate. Instruments are subject to the Applicable Laws of each jurisdiction in which they are processed, including any intermediary jurisdiction in which they are processed through, and the Customer is responsible to ensure all Instruments comply with such Applicable Laws. Royal Bank is not responsible for any Losses relating to an Instrument which contravenes Applicable Laws.

4.2 Clearing Rules. The Customer will comply with all CPA Rules and NACHA Rules applicable to the Services. The Customer is responsible for ensuring that it has obtained and put in place all Documents required under CPA Rules and NACHA Rules in connection with the Services and the services it provides to its clients that relate to the Services, and the Customer is responsible for all Losses which may be imposed under CPA Rules or NACHA Rules if it fails to obtain or put in place the Documents. In addition, the Customer agrees that: (i) each Instrument drawn on or payable by it or payable through an Account will comply with all applicable by-laws, rules and procedures of each clearing and settlement system and network in which the Customer and Royal Bank participate in connection with the Services, including those relating to the clearing and settlement of Instruments; and (ii) it will not act in a manner that would cause Royal Bank to be in breach of any such by-laws, rules or procedures.

4.3 Verification of Authenticity, etc. The Customer is responsible for the verification of the authenticity and validity of all Instruments deposited to and drawn on the Accounts. If an Instrument should not be paid, the Customer will ensure Royal Bank is provided instructions not to pay the Instrument within the timelines prescribed by Royal Bank. Instruments returned beyond the timelines prescribed by

Applicable Laws or Royal Bank will be handled by Royal Bank on a collection basis only, and at the sole liability and responsibility of the Customer. Unless otherwise agreed in writing by Royal Bank, Royal Bank shall have no duty, responsibility, or obligation to review, examine, or confirm the beneficiary or payee name, endorsement, signature, amount, or other information appearing on any Instrument. The Customer will immediately provide Royal Bank with any endorsements or signatures on Royal Bank's request.

4.4 Royal Bank Discretion. Royal Bank may, in its discretion, refuse a deposit to an Account, or refuse to process any Document, for any reason in accordance with its policies, procedures, or guidelines, including if the Document exceeds processing volumes established by Royal Bank.

4.5 Chargeback. 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, as a result of an error or any Instrument which may be forged, fraudulent, or unauthorized in any way, including as a result of a material alteration or any forged, fraudulent, unauthorized, missing, or incomplete endorsement or signature, or for which Royal Bank is unable to receive irrevocable settlement or payment, in each case together with all associated Losses. This will include the amount of an Instrument payable to another Person and which is missing endorsements, or which has forged, fraudulent, or unauthorized endorsements, or the amount of an Instrument to which any Person party thereto is bankrupt or insolvent. This will also include any Instrument which is dishonoured, unpaid, or paid and subsequently returned. The Customer agrees to immediately repay any overdraft caused by such debit, together with interest, in accordance with this Agreement. Royal Bank may make any other adjustments to an Account to give effect to the foregoing.

4.6 Waiver of Presentation, etc. The Customer waives presentment for payment, notice of dishonour, protest, and notice of protest of any Instrument. The Customer will be liable to Royal Bank on any Instrument as if it had been duly presented for payment and protested and notice of dishonour and protest given to all Persons party to it as provided by Applicable Laws.

4.7 Assignment of Claims. Royal Bank may take any steps or proceedings with respect to any Instrument deposited or discounted with Royal Bank as it deems appropriate, either in its own name or in the Customer's name. For this purpose, the Customer assigns to Royal Bank all of the Customer's claims against each Person party to any such Instrument.

4.8 Authority to Pay Instruments. In the same manner as in the case of an ordinary cheque, Royal Bank may pay and debit an Account of the Customer in the amount of every Instrument that is payable by the Customer at Royal Bank and that is presented for payment to Royal Bank.

4.9 Cut-off Times. Royal Bank may prescribe cut-off times for receiving Instruments or other Documents for processing. Royal Bank may, in its discretion, use reasonable efforts to process an Instrument or other Document even if it is received after the prescribed cut-off time, provided that Royal Bank will not be responsible for any failure to process such Instrument or other Document. The Customer discharges Royal Bank from, and will indemnify and hold harmless Royal Bank for, any Losses resulting from the processing of, or failure to process, such Instrument or other Document.

4.10 Finality. Once Instruments or other Documents are received by Royal Bank, Royal Bank is under no obligation to reverse or change the Instrument or other Document. Royal Bank may, in its discretion, use reasonable efforts to implement a requested reversal or change, provided that Royal Bank will not be responsible for any failure to do so. The Customer discharges Royal Bank from, and will indemnify and hold harmless Royal Bank for, any Losses resulting from the implementation of, or the failure to implement, such reversal or change.

4.11 Limits. Royal Bank may establish one or more limits (dollar amounts or otherwise) for any Services or Instruments drawn on the Accounts, and the Customer will adhere to these limits. Royal Bank may at any time, in its discretion, without notice, change these limits for any reason, including in order to process any Instrument which would have exceeded a limit.

4.12 Available Funds. Notwithstanding any prior course of conduct, Royal Bank will have no obligation to process, and Royal Bank may at any time in its discretion refuse to process, any Instrument unless: (i) the Instrument is within any limits established by Royal Bank; and (ii) there are sufficient limits or funds available in the applicable Account at the time the instructions are submitted to Royal Bank. Funds may be debited from an Account at the time the instructions are submitted to Royal Bank for the Instrument, even if the Instrument is future-dated, except where otherwise agreed in writing by Royal Bank. Once funds are debited from an Account, the funds will be held by Royal Bank until the earlier of the date the Instrument is processed or termination of an applicable Service, and the funds will not earn interest during this hold period. If an applicable Service is terminated, any future-dated Instruments may be cancelled by Royal Bank and any funds held by Royal Bank for cancelled future-dated Instruments will be returned to the Customer.

4.13 Foreign Exchange Risk. If an Instrument or transaction requires conversion of funds from one currency to another currency, unless otherwise agreed in writing by Royal Bank, Royal Bank may convert the Instrument or funds to the applicable currency at the applicable currency conversion rate established for such purpose by Royal Bank in its discretion. Royal Bank may debit any Account for the funds required for the conversion, and for any related fees and

charges. Royal Bank will not be responsible for any Losses relating to foreign currency conversions, including those resulting from a change to Royal Bank's currency conversion rates between the date an Instrument is converted by Royal Bank and the date the Instrument is delivered, received, processed, or returned. The Customer is solely responsible for any Losses relating to foreign currency conversions in connection with any Services, including those resulting from a change to Royal Bank's currency conversion rates and any loss in the value or amount of an Instrument due to an adverse change to such rates.

**4.14 Account and Transit Numbers.** If a Document specifies an account number for the beneficiary or transit number for the beneficiary's financial institution, Royal Bank may rely on the account or transit number for the purpose of processing the Document. If Royal Bank makes funds available relying on the specified account or transit number, Royal Bank will have satisfied its obligations to process the Document even if the account or transit number identifies a Person different from the intended beneficiary or beneficiary named in the Document. Royal Bank is under no duty to detect any such inconsistency, and Royal Bank will not be responsible for any Losses resulting from any such inconsistency.

**4.15 Format.** Digital images or electronic representations of Instruments (including copies of same) may be made or captured and used as if it were the original paper Instrument, including in the exchange and clearing of payments in Canada and other jurisdictions. Original paper Instruments may be destroyed and not returned to the Customer. Royal Bank is entitled to act on any such image or representation for all purposes as if it were an original paper Instrument. Royal Bank and other financial institutions may reject any Instrument that does not comply with their respective policies, procedures, or guidelines or Applicable Laws. If Instruments are printed by a vendor that is not approved by Royal Bank, or security features are used or an Instrument is made out in a manner that causes critical data to disappear or be obscured on imaging or truncation (being the act of taking an electronic image of an Instrument and destroying the original paper Instrument), then the Customer is responsible for any associated Losses. Copies of images of Instruments (including digital or electronic representations) may be provided to the Customer before they are posted to an Account or Royal Bank has determined whether the Instrument will be honoured or accepted. Such copies of images of Instruments are made available by Royal Bank as a Service to the Customer, and the provision of copies of images of Instruments does not mean that a transaction has been processed or in any way obliges Royal Bank to honour or accept the Instruments. Royal Bank will not be required to ensure that copies of images of Instruments can be made available to the Customer or any other Person for longer than seven (7) years following the date of the statement of Account on which the Instrument appears.

**4.16 Other Financial Institutions and Beneficiaries.** The beneficiary of an Instrument may not receive the funds on the date the funds are debited from the applicable Account, or otherwise on the date the Customer instructs. Except as otherwise expressly agreed by Royal Bank in this Agreement with respect to Royal Bank's Representatives, Royal Bank is not responsible for the actions or omissions of any other Person, including beneficiaries or other financial institutions sending, receiving, or processing Instruments or other Documents in connection with the Services, or for any Losses arising out of, or incidental to, any of the foregoing. The Customer is responsible for notifying applicable Persons when a Document is sent, and of the delivery methods used to send the Document. The Customer is responsible for confirming each Document is accessed, sent, received, accepted, and processed as intended. Other Persons may set limits, requirements, and restrictions on the sending, receiving, or processing of the Document, including on the amount, currency, or legitimacy of the Document, and the Customer is responsible for adherence to such limits, requirements, and restrictions.

## 5. Other Products or Services

**5.1 OPS.** This Agreement is in addition to any agreement or other Document governing OPS. Where the Services include access to and use of OPS, including other bank accounts, investments, or loans, the Customer will comply with the terms and conditions of this Agreement and such other Document in connection with the access to and use of the OPS. If the Customer accesses or uses any OPS provided to, or owned by, any other Person, the Customer confirms that: (i) it has obtained any necessary consents and approvals of the other Person; (ii) it has the requisite power and authority for access to and use of the other Person's OPS; and (iii) its access and use of the other Person's OPS is permitted by, and in accordance with, Applicable Laws.

**5.2 Authorization.** Royal Bank is authorized and directed to do all things necessary to provide the Customer with access to and use of the OPS, including for Royal Bank to retrieve, consolidate, organize, and present information and other Documents to and from the Person providing the OPS. This may include Royal Bank using the Security Devices provided to it for the access to, and use of, the OPS. The Customer confirms that it has the right to give Royal Bank this authorization and direction.

**5.3 Non-Reliance.** The Customer will access and use the OPS directly from the Person providing them on a regular basis, using the Person's website or otherwise, to review and verify the accuracy of all Documents relating to the OPS.

**5.4 Liability.** Royal Bank is not responsible for the access to or use of any OPS, including any Losses caused by any action or omission of the Person providing the OPS. Royal Bank is not responsible for the timeliness, completeness or accuracy of any information or other Documents provided to or from the Person providing the OPS. Royal Bank does



not make any representations or warranties with respect to the quality of OPS provided by any other Person, or the other Person's reputation, credit rating, solvency, or privacy or security standards. The Customer will indemnify and hold harmless Royal Bank for any Losses resulting from its access to or use of the OPS, including any OPS provided to, or owned by, any other Person.

5.5 Change or Termination. Royal Bank may, at any time, without notice, change or terminate the available access to or use of any OPS.

## 6. Security and Electronic Banking

6.1 Security. The Customer will at all times have in place prudent measures to ensure the security and confidentiality of the Services, Confidential Information, Electronic Channels, and Documents, including measures to detect and prevent Disabling Codes. The Customer will immediately notify Royal Bank in writing upon discovery of any security incident, including actual or suspected loss or unauthorized disclosure of Royal Bank's Confidential Information.

6.2 Royal Bank's Procedures, etc. The Customer will comply with all security procedures, standards, and other requirements prescribed by Royal Bank and will notify Royal Bank immediately of any failure or inability to do so. The Customer will take any other steps reasonably necessary, including the maintenance of encryption standards, to protect against and prevent any threats, hazards, and unauthorized access to or use of the Services, Confidential Information, Electronic Channels, and Documents.

6.3 Security Devices. The Customer is responsible for maintaining the security and confidentiality of all Security Devices and Royal Bank's Confidential Information which may be used in connection with the Services. The Customer is responsible for ensuring that Security Devices will only be provided to and used by Persons properly authorized on its behalf for such purpose in connection with the Services. The Customer will be bound by any use, including any actions or omissions resulting from the use, of any Security Device in connection with the Services, including any Document accessed, sent, received, accepted, or processed using an Electronic Channel. The Customer recognizes that possession of a Security Device by a Person may result in the Person having access to, and being able to use, the Services and Confidential Information. The use of a Security Device in connection with any Service or Document is deemed to be conclusive proof that such use and Document is authorized by, and enforceable against, the Customer.

6.4 Security Audits and Testing. Royal Bank and its Representatives may conduct periodic audits and tests of any Services and Electronic Channels used by Royal Bank, the Customer, and otherwise in connection with any Services, including to investigate any technical difficulties, security incidents, or deficiencies, or any actual or potential breach of security. Any Services or Electronic Channels may

be temporarily unavailable during such audits and tests. The Customer will cooperate in connection with such audits and tests.

6.5 Customer's Responsibility: Internal Procedures re Instruments and Accounts. The Customer will at all times have in place commercially reasonable procedures designed to prevent and detect losses due to forged or unauthorized signatures, fraud or theft in relation to Accounts, Services, Instruments or other Documents.

6.6 Web Links. Where there are links from Royal Bank's websites to any other Person's website, Royal Bank does not make any representations about, does not endorse, and is not responsible for any Losses relating to, the other Person or the other Person's website, website content, products, services, privacy policies, procedures, guidelines, or practices.

6.7 Binding Effect. If Royal Bank receives any Document from or in the name of, or purporting to be from or in the name of, the Customer or any Person on the Customer's behalf, then the Document will be considered duly authorized by, binding on, and enforceable against, the Customer. Royal Bank is authorized to rely and act on the Document even if it differs in any way from any previous Document sent to Royal Bank. Royal Bank is also authorized to rely and act on any signature appearing on a Document that is, or purports to be, a signature of the Customer or any Person on the Customer's behalf, including any signature affixed by mechanical, electronic, or other non-manual means, as being valid, authorized by, and binding on, the Customer.

6.8 Communication Methods. Mail, courier, unencrypted Documents, or unencrypted Electronic Channels, including facsimile or email, may be used in connection with the Services, including for the delivery of Service Materials and Documents, including Instruments and information relating to Instruments to and from the beneficiary of the Instrument, intermediaries, the beneficiary's financial institution, or any other Person designated by the Customer or a beneficiary, as applicable. This information may include the Customer's Confidential Information, personal information, and other information relating to Instruments, including payor and payee names, payment amounts, account numbers, and details for the disposition of payments, and related goods or services. The Customer is responsible for advising all applicable Persons of the delivery methods which may be used in connection with the Services. The Customer assumes full responsibility for the risks associated with the communication methods used in connection with the Services, including the risks that the use of mail, courier, unencrypted Documents, or unencrypted Electronic Channels is not secure, reliable, private, or confidential, and any Security Device or Document accessed, sent, received, accepted, or processed using any of these communication methods is subject to interception, loss, or alteration, and may not be received by the intended recipient in a timely manner or at all.

**6.9 Electronic Communication.** All communication between any of Royal Bank, the Customer, and any other Person in connection with the Services, whether through an Electronic Channel or otherwise, will take place in accordance with this Agreement. A Document, including any Instrument, which is accessed, sent, received, accepted, or processed through an Electronic Channel shall have the same legal effect as if in written paper form signed by the Customer, and will constitute a “writing” for the purposes of Applicable Laws. The Customer waives any right to raise a defence or waiver of liability on the basis that a Document was accessed, sent, received, accepted, or processed through an Electronic Channel, including on the basis that it was not “in writing” or was not signed or delivered. All Documents provided by an Electronic Channel must be in a format which can be retained by Royal Bank. The Customer will keep the originals of all Documents transmitted to Royal Bank by facsimile or using any other Electronic Channel, and will produce them to Royal Bank on request.

**6.10 Electronic Imaging.** Royal Bank may convert paper records of this Agreement and all other Documents delivered to Royal Bank into electronic images, as part of Royal Bank’s normal business practices. Each such electronic image shall be considered an authoritative copy of the paper Document, and shall be legally binding on the parties and admissible in any legal, administrative, or other proceeding as conclusive evidence of the contents of such Document in the same manner as the original paper Document.

**6.11 Electronic Evidence.** Electronic records, information, or other Documents maintained by Royal Bank in electronic form will be admissible in any legal, administrative, or other proceedings as conclusive evidence of the contents of those records, information, or other Documents in the same manner as an original paper Document. The Customer waives any right to object to the introduction of any such records, information, or other Documents into evidence on that basis.

## **7. Additional Representations, Warranties, and Covenants**

**7.1 Ongoing Representations, etc.** Each time a Service is used, the Customer implicitly represents, warrants, covenants, and agrees that: (i) this Agreement is and remains in full force and effect as a binding and enforceable agreement between Royal Bank and the Customer; (ii) the Customer, each of its Documents, and each use of the Services complies with this Agreement, Applicable Laws, its constating documents, and any by-laws, resolutions, or other applicable obligations; (iii) the Customer, each of its Documents, and each use of the Services complies with Royal Bank’s policies, procedures, and guidelines which may be more rigorous than Applicable Laws, to the extent the Customer has notice of such policies, procedures, and guidelines; (iv) it has all licences, authorizations,

consents, and approvals required under Applicable Laws, its constating documents, and any by-laws, resolutions, or other applicable obligations, including to enter into and perform its obligations under this Agreement, each of its Documents, and in connection with each use of the Services; (v) the entering into and performance of this Agreement, each of its Documents, and each use of the Services are within its powers, have been duly authorized by all necessary actions, and do not and will not conflict with any Applicable Laws, its constating documents, or any by-laws, resolutions, or other applicable obligations; (vi) the Customer and each Person using a Service on the Customer’s behalf, including each Person specified in an Authorization Form and the Person’s delegates, possess the necessary signing authority and other power and authority to bind the Customer or other Person if the Services are being used by, for, or on behalf of the other Person in accordance with Section 1.4; (vii) the Customer is a sole proprietor, corporation, partnership, association, society, lodge, municipality, or other legal entity duly organized, validly existing, duly qualified, and in good standing under Applicable Laws, including in the jurisdiction of its organization and in each jurisdiction where the Customer carries on business; (viii) any business name or trade name identified in this Agreement is solely owned by the Customer, and the Customer has all necessary rights, powers, and authorities for any use of a business name or trade name in connection with the Services; and (ix) all information in this Agreement and any other Document provided to Royal Bank from time to time in connection with this Agreement or the Services is and will continue to be true, complete, and accurate in all respects, and the Customer will provide Royal Bank with at least thirty (30) days prior written notice of any change to such information, including notice of any change to any Authorization Form, the business or services provided by the Customer, or any breach of the Customer’s representations, warranties, covenants, agreements, or other terms of this Agreement.

**7.2 No Representations, Warranties, or Conditions by Royal Bank.** Except as expressly provided in this Agreement, Royal Bank disclaims all representations, warranties, and conditions of any kind, including any oral, implied, statutory, or other representations, warranties and conditions, and including warranties relating to quality, performance, infringement, merchantability, and fitness for a particular use or purpose. Royal Bank does not warrant that any Service will operate error free or without Disabling Codes or interruption.

## **8. Anti-Money Laundering and Anti-Terrorist Financing**

**8.1 General.** Each time a Service is used, the Customer implicitly represents and warrants to, and covenants with, Royal Bank that: (i) it is not, and the Services will not be used, directly or indirectly, by, for, or on behalf of, a Money Services Business or Restricted Business; (ii) it does not and will not conduct business in, or with individuals or



entities located in, countries in contravention of Applicable Laws; (iii) to the best of its knowledge, no Regulatory Authority or other Person has ever conducted any type of investigation related to any activity in contravention of Applicable Laws relating to anti-money laundering or anti-terrorist financing with regard to accounts or financial transactions of the Customer, or any accounts or financial transactions under the control of the Customer.

**8.2 Non-Public Bodies or Entities.** If the Customer is not a Public Body or a Publicly Traded Entity, each time a Service is used the Customer implicitly represents and warrants to, and covenants and agrees with, Royal Bank that: (i) to the best of its knowledge, no Regulatory Authority or other Person has ever conducted any type of investigation related to any activity in contravention of Applicable Laws relating to anti-money laundering or anti-terrorist financing with regard to accounts or financial transactions of, or controlled by, any Person related to or affiliated with the Customer, or any director or officer of the Customer or any Person related to or affiliated with the Customer; (ii) none of the Customer, any Person related to or affiliated with the Customer, or any director or officer of the Customer or a Person related to or affiliated with the Customer, has been accused or convicted of an offence related to money laundering or terrorist financing; (iii) none of the assets of the Customer, any Person related to or affiliated with the Customer, or, to the best of its knowledge, of any director or officer of the Customer or any Person related to or affiliated with the Customer, have been frozen or subject to seizure due to an allegation of money laundering, terrorist financing, or other illegal activity involving accounts or financial transactions; and (iv) the composition of its ownership and control structure is not in contravention of Applicable Laws, specifically with respect to shareholders connected to jurisdictions affected by Applicable Laws. The foregoing does not apply with respect to routine and regular examinations of a Person by a Regulatory Authority in the normal and ordinary course of business, provided the Regulatory Authority has determined that the Customer, each Person related to or affiliated with the Customer, and each director or officer of the Customer and each Person related to or affiliated with the Customer, is in full compliance with Applicable Laws relating to anti-money laundering, anti-terrorist financing, and other illegal activity.

## 9. Intellectual Property

**9.1 Ownership.** Royal Bank (or, if obtained under a lease or licence, the lessor or licensor) will retain all ownership rights in the Services, Service Materials and Royal Bank's Confidential Information, including any trademark, copyright, and other intellectual property rights.

**9.2 Licence.** The Customer is granted a non-exclusive, non-transferable, revocable, royalty-free, and limited license to use the Service Materials solely for the purpose for which they are provided in connection with the Services, and

not for any other purpose. The Customer is not entitled to transfer or assign its licence to use the Service Materials. Unless otherwise agreed in writing by Royal Bank, the Customer is not entitled to copy the Service Materials, or any portion thereof, except for its own non-commercial use in accordance with this Agreement and Royal Bank's instructions. The Customer will not disassemble, reverse engineer, or otherwise attempt to discover the source code of any software included within any Service Materials. The Customer's licence to use the Service Materials will end immediately on termination of the licence or the Service to which the licence relates. Immediately after the licence ends, the Customer will return the Service Materials to Royal Bank together with any copies.

**9.3 Intellectual Property.** Royal Bank is the owner of all intellectual property rights subsisting on each website owned or operated by or on behalf of Royal Bank. Unless otherwise indicated, trademarks, logos, and all works, including texts, images, illustrations, software, HTML codes, audio clips, and videos, appearing on each website or otherwise in connection with any Services are Royal Bank's property. The trademarks, logos, and works may not be reproduced, republished, downloaded, posted, transmitted, distributed, or modified, in whole or in part, in any form whatsoever, except for the Customer's own non-commercial use, including viewing, printing, or archiving of electronic copies of the Customer's activities, in accordance with the terms of this Agreement and Royal Bank's instructions or as may be otherwise agreed in writing by Royal Bank. Nothing in this Agreement is to be interpreted as conferring a right to use Royal Bank trademarks, logos, or works in any other way.

**9.4 Publicity.** The Customer may not use Royal Bank's name or any of Royal Bank's trademarks or other intellectual property in any advertisement, brochure, public message, other marketing efforts or otherwise without Royal Bank's prior written consent.

## 10. Collection, Use, and Disclosure of Information

For purposes of this Section 10, the following defined terms will be used: (i) "Customer" means the Customer, its Representatives, and its owners; and (ii) "Customer's affiliates" means any Customer subsidiary or holding company and any Person in which any owner, partner, or holding company of the Customer has an equity or ownership interest.

**10.1 Collecting Information.** Royal Bank may collect and confirm financial and other information about the Customer during the course of its relationship with the Customer, including information: (i) establishing the Customer's existence, identity (for example, name, address, phone number, date of birth, etc.), and background; (ii) related to transactions arising from the Customer's relationship with and through Royal Bank, and from other financial institutions; (iii) provided on any application for the Services or OPS; (iv) for the provision of the Services or OPS;

and (v) about the Customer's financial behaviour, including payment history and credit worthiness. Royal Bank may obtain this information from any source necessary for the provision of the Services or OPS, including from: (i) the Customer; (ii) service arrangements made with or through Royal Bank; (iii) credit reporting agencies; (iv) other financial institutions; (v) registries; and (vi) references provided to Royal Bank. **The Customer acknowledges receipt of notice that from time to time reports about the Customer may be obtained by Royal Bank from credit reporting agencies.**

**10.2 Using Information.** All information collected by, and provided to, Royal Bank may be used and disclosed for the following purposes: (i) to verify the Customer's identity and investigate its background; (ii) to open and operate Accounts or provide other Services or OPS; (iii) to understand the Customer's financial situation; (iv) to determine, and make decisions about, the eligibility of the Customer or the Customer's affiliates for the Services or OPS; (v) to help Royal Bank better understand the current and future needs of Royal Bank's clients; (vi) to communicate to the Customer any benefit, feature, or other information about the Services or OPS; (vii) to help Royal Bank better manage its business and its relationship with the Customer; (viii) to maintain the accuracy and integrity of information held by a credit reporting agency; and (ix) as required or permitted by Applicable Laws. For these purposes, Royal Bank may: (x) share the information with other Persons, including Royal Bank Representatives, Regulatory Authorities, and Persons the Customer requests; (xi) share the information with other financial institutions, and Persons with whom the Customer has financial or other business dealings, and (xii) give credit, financial, and other related information to credit reporting agencies, who may share it with other Persons. In the event information is used or shared in a jurisdiction outside of Canada, the information will be subject to, and may be disclosed in accordance with, the laws of such jurisdiction. Royal Bank may also use the information and share it with its affiliates to: (xiii) manage its risks and operations and those of its affiliates; (xiv) comply with valid requests for information from Regulatory Authorities or other Persons who have a right to issue such requests; and (xv) let its affiliates know the Customer's choices under Section 10.3 for the sole purpose of honouring the Customer's choices. **If Royal Bank has the Customer's social insurance number, it may be used for tax related purposes and shared with appropriate government agencies, and may also be shared with credit reporting agencies for identification purposes.**

**10.3 Other Uses.** All information collected by, and provided to, Royal Bank may also be used and disclosed for the following purposes: (i) promoting the Services or OPS that may be of interest; (ii) where not prohibited by Applicable Laws, referring the Customer to Royal Bank's affiliates and for Royal Bank's affiliates to promote OPS that may be of interest; and (iii) if the Customer deals with

Royal Bank's affiliates, Royal Bank and its affiliates may, where not prohibited by Applicable Laws, consolidate all of the information Royal Bank has with information any of its affiliates has about the Customer, in order to manage the business of, and relationships with, Royal Bank and its affiliates. Customer acknowledges that as a result of such sharing, Royal Bank and its affiliates may advise each other of the Services or OPS provided. For the purposes described in subsections (i) and (ii), Royal Bank or its affiliates may communicate with the Customer through various channels, including mail, telephone, computer, or any other Electronic Channel, using the most recent contact information provided. The Customer may choose not to have the information shared or used for any of these "Other Uses" by contacting Royal Bank as set out in Section 10.5, and the Customer will not be refused credit or other services just for this reason.

**10.4 Online Activity.** Online activity information may also be collected in public and secure websites owned or operated by or on behalf of Royal Bank or its affiliates, or in any of their advertisements hosted on another Person's websites, using cookies and other tracking technology, and used with other information about the Customer to assess the effectiveness of online promotions, to gather data about website functionality, to understand its interests and needs, to provide a customized online experience, and to communicate to the Customer information about the Services or OPS. The Customer may choose not to have this information collected or used for the online personalization purposes described in this Section by contacting Royal Bank as set out in Section 10.5.

**10.5 Contact Royal Bank.** The Customer may obtain access to its personal information with Royal Bank at any time, including to review its content and accuracy and have it amended as appropriate, except to the extent this access may be restricted as permitted or required under Applicable Laws. To request access to personal information or request the Customer's information not to be used as set out in Sections 10.3 or 10.4, the Customer may contact the Customer's main branch or call Royal Bank toll free at 1-800 ROYAL® 1-1 (1-800-769-2511). More information about Royal Bank's privacy policies may be obtained by asking for a copy of the "**Financial fraud prevention and privacy protection**" brochure, calling the toll free number shown above, or visiting the web site [www.rbc.com/privacysecurity](http://www.rbc.com/privacysecurity).

**10.6 Personal Information.** The parties will treat all personal information in accordance with Applicable Laws. From time to time, Royal Bank may request the Customer to take steps, including the entering into of additional Documents, to ensure the protection of personal information and compliance with all Applicable Laws. The Customer will promptly comply with these requests.

**10.7 Other Persons.** Royal Bank is not responsible for any Loss that occurs as a result of any use, including any

unauthorized use, of information by any Person, other than Royal Bank and its Representatives to the extent agreed by Royal Bank in this Agreement.

10.8 Consents, etc. The Customer confirms that any necessary consent, approval, or authorization of any Person has been obtained for the purposes of collecting, using, and disclosing their information in accordance with this Agreement and Applicable Laws.

10.9 Additional Consent. The Customer's consents and agreements in this Agreement are in addition to any other consent, authorization, or preference of the Customer regarding the collection, use, disclosure, and retention of information.

10.10 Royal Bank Information. The Customer will use the Services, Service Materials, and other Confidential Information of Royal Bank only for the purposes they are provided by Royal Bank, and will ensure that Royal Bank's Confidential Information is not disclosed to any Person except: (i) the Customer's Representatives who need to know such Confidential Information in connection with the Services, provided that such Representatives are informed of the confidential nature of such Confidential Information and agree to treat same in accordance with terms substantially the same as in this Agreement; (ii) to the extent legally required, provided that, if not legally prohibited, the Customer will notify Royal Bank in writing prior to any such disclosure; (iii) in accordance with this Agreement; or (iv) as otherwise agreed in writing by Royal Bank.

10.11 Remedies. In the event of a breach or anticipated breach by a party or its Representatives of the confidentiality obligations under this Agreement, irreparable damages may occur to the other party and the amount of potential damages may be impossible to ascertain. Therefore, a party may, in addition to pursuing any remedies provided by Applicable Laws, seek to obtain equitable relief, including an injunction or an order of specific performance of the other party's confidentiality obligations under this Agreement.

## 11. Joint Banking

11.1 Banking. Each Person provided Joint Banking may exercise and delegate all rights, powers and authorities, incur liabilities and obligations, and otherwise conduct and transact any business whatsoever on behalf of each other Person.

11.2 Individuals. Joint Banking held by Persons that are individuals are held by the Persons as joint tenants with the right of survivorship (except in the Province of Quebec).

11.3 Documents, etc. All Documents by, for, or on behalf of any one or more of the Persons in connection with Joint Banking, will be valid and binding on each of the Persons jointly and severally (in Quebec, solidarily), and Royal Bank is hereby authorized to act on them and give effect to each

of them. The endorsement or signature by or on behalf of any Person provided Joint Banking by any means on any Document deposited with or drawn on Royal Bank will be binding on each of the other Persons to the same extent and with the same effect as if the Document had been manually endorsed or signed by each of the other Persons. If the withdrawal or order for the transfer of funds or the use of a Security Device by any Person results in borrowing money from Royal Bank, all such transactions are expressly approved by the other Persons. Royal Bank may stop payment on any Instrument when any one of the Persons issues a stop payment order.

11.4 Addition. If a Person is to be added to any Joint Banking, Royal Bank must be provided at least thirty (30) days' prior written notice. The addition will be effective from the date the notice has been acknowledged in writing by each branch or agency of Royal Bank where all of the Joint Banking is located. Royal Bank has the discretion to accept, reject, or terminate the addition of a Person to any Joint Banking at any time. If a new Person is provided any Joint Banking, including by virtue of its legal relationship to any other Person, this Agreement will be binding on that new participant as if it is a direct signatory hereto, and each Person will immediately: (i) provide to Royal Bank any and all information, evidence, or other Documents which Royal Bank requests in connection with any Service, including to verify compliance with this Agreement; and (ii) execute any Document and do or cause to be done all acts reasonably necessary to implement and carry into effect this Agreement to its full extent.

11.5 Removal. If a Person is to be removed from any Joint Banking, Royal Bank must be provided at least thirty (30) days' prior written notice. Removal will be effective only from and after the date the notice has been acknowledged in writing by each branch or agency of Royal Bank where all of the Joint Banking is located. At Royal Bank's sole option, this Agreement or any Joint Banking may be terminated on removal of any Person.

11.6 Account Closure. Royal Bank may close any joint Account on the instructions of any Person being provided the Account. Royal Bank will pay the instructing Person any funds on deposit in the closed Account.

11.7 Joint and Several Liability. Each Person provided Joint Banking is jointly and severally (solidarity in Quebec) liable to Royal Bank for all debts, liabilities and other obligations relating to the Joint Banking, including the repayment of any loan or overdraft and interest, fees and charges, regardless of which Person created the obligation.

11.8 Disclosure of Information. Each Person provided Joint Banking, including any added Person, may have access to all information relating to each other Person and the Joint Banking, including all Accounts, Services and credit details and history. Each Person consents to this disclosure of its information.

11.9 Notices (Joint Banking). The delivery, in accordance with this Agreement, of any Document relating to Joint Banking to any one Person being provided the Joint Banking, will be considered delivery to all of the Persons being provided the Joint Banking. The receiving Person is responsible for informing all of the other Persons of any Document delivered by Royal Bank.

11.10 Confirmation. The Customer confirms it is bound by these terms in connection with any Joint Banking provided to the Customer, and its acceptance of this Agreement (either by signature or by use of any Joint Banking): (i) confirms the obligations, responsibilities, representations and warranties of the Customer and each other Person provided the Joint Banking; and (ii) constitutes obligations, responsibilities, and representations and warranties of all of the Persons provided the Joint Banking, including the Customer, on a joint and several basis.

## 12. Partnerships

12.1 Joint and Several Liability – General Partnership or Limited Liability Partnership. If the Customer is a general partnership or a limited liability partnership or equivalent, every obligation of the Customer to Royal Bank under this Agreement or otherwise will also be the separate and individual obligation of each of the partners of the Customer who will be jointly and severally (solidarily in Quebec) bound to Royal Bank for the performance of those obligations whether or not such obligations are contracted for the service or operation of an enterprise of the Customer.

12.2 Joint and Several Liability – Limited Partnership. If the Customer is a limited partnership, every obligation of the Customer to Royal Bank under this Agreement or otherwise will also be the separate and individual obligation of each general partner of the Customer who will be jointly and severally (solidarily in Quebec) bound to Royal Bank for the performance of those obligations.

12.3 Dissolution. If the Customer is dissolved for any reason and if any of the power or authority set out in this Agreement continues to be exercised, then all actions taken after such dissolution by any partner of the Customer before such dissolution will be binding on the Customer and each partner (in the case of a general partnership or limited liability partnership) or general partner (in the case of a limited partnership) of the Customer and its heirs, executors, administrators, successors, or assigns, until notice of the dissolution is received and duly acknowledged in writing by each branch or agency of Royal Bank where the Customer has an Account, as if the dissolution had not occurred.

12.4 Termination. Any of the Customer, a partner (in the case of a general partnership or a limited liability partnership), a general partner (in the case of a limited partnership), or its heirs, executors, administrators, successors or assigns may terminate this Agreement in accordance with Section 15.

12.5 Changes in Partnership. This Agreement will not be revoked by a change in the constitution of the partnership, limited liability partnership, or limited partnership, as the case may be, and will be binding on any Person which may be formed from time to time as a successor to the Customer and on each partner or general partner of the Customer who may be a partner or general partner, shareholder, or member in any such new Person, to the same extent and with the same effects as if each such new Person and every partner, general partner, shareholder, or member had signed this Agreement.

12.6 New Partner – General Partnership or Limited Liability Partnership. If the Customer is a general partnership or a limited liability partnership and any new partner is admitted to the Customer, then this Agreement will be binding on that new partner and on the Customer as if the new partner had signed this Agreement.

12.7 New Partner – Limited Partnership. If the Customer is a limited partnership and any new general partner is admitted to the Customer, then this Agreement will be binding on that new general partner and on the Customer as if the new general partner had signed this Agreement.

## 13. Liability and Disputes

13.1 Disclaimer of Liability. Royal Bank is not responsible for any Losses, except to the extent caused directly by Royal Bank's negligence or wilful misconduct and subject to other limitations under this Agreement.

13.2 Additional Limitations. Even where Royal Bank is negligent, and regardless of the cause of action, Royal Bank is not responsible for any Losses that are indirect, consequential, special, aggravated, punitive, or exemplary damages, including lost profits. Even where Royal Bank is negligent, and regardless of the cause of action, Royal Bank is also not responsible for any Losses resulting from any of the following:

- (i) the actions of, or failure to act by, any other Person except for Royal Bank's Representatives who are acting in accordance with Royal Bank's specific instructions;
- (ii) mistakes or errors in, omissions from, inaccuracy or inadequacy of, or delays with, any Document provided to Royal Bank or its Representatives;
- (iii) the Customer, including any of its Representatives:
  - (A) failing to comply with this Agreement or any other Document applicable to the Services;
  - (B) engaging, either alone or with others, in any fraudulent, unlawful, dishonest, or other improper acts or omissions;
  - (C) carrying out a transaction, including if the transaction is the result of any mistake or errors in, omissions from, inaccuracy, or other inadequacy of, or delays with any Document provided to Royal Bank or its Representatives;
  - (D) disclosing or sharing, or agreeing to the disclosure or sharing of, a Security Device with any Person;
  - (E) making, consenting, authorizing, or contributing to, or otherwise



being responsible for, or benefiting from a transaction; (F) failing to take measures to protect against and prevent the Losses, including by using an Electronic Channel that it knows or reasonably ought to know contains software that has the ability to reveal to an unauthorized Person, or to otherwise compromise, any Security Device; (G) leaving Royal Bank's website and linking to and from any other Person's website; or (H) failing to adequately cooperate with Royal Bank in a related investigation; in each case, as determined by Royal Bank, acting reasonably;

(iv) anything beyond Royal Bank's control, including Losses resulting from: (A) Force Majeure, (B) any delay, error, interruption, or failure by Royal Bank to perform or fulfill its obligations due to any cause beyond Royal Bank's control, including any systems malfunction, technical failures, or if a Document retrieved by Royal Bank is not timely, complete, or accurate; or (C) any communication facilities or Electronic Channels that are not under Royal Bank's control, including communication facilities that may affect the timeliness, completeness, or accuracy of a Document or that may cause a delay in the retrieval or presentment of any Document;

(v) any missing, incomplete, or fraudulent endorsement of any Instrument;

(vi) Royal Bank relying or acting on any Document, including a Document accessed, sent, received, accepted, or processed through an Electronic Channel, pursuant to this Agreement; or

(vii) the transmission of any Disabling Code or other destructive or contaminating properties through an Electronic Channel, or any related damage to any computer systems.

**13.3 Waiver and Release.** Royal Bank makes available certain Services, including Account Images, Disbursement Auditor / RBC Express Positive Pay, and Payee Match, and Service features, including dual administration for RBC Express, which are intended to detect and deter forged, fraudulent, or unauthorized Instruments. If the Customer does not implement any of these Services or Service features, the Customer is precluded from making any claim against Royal Bank for a forged, fraudulent, or unauthorized Instrument that such Service or Service feature is intended to deter or detect, and Royal Bank will not be responsible for the Instrument or any related Losses.

**13.4 Third Party Disputes.** Except as otherwise provided in this Agreement, Royal Bank is not responsible for any Dispute the Customer may have with any other Person, including its clients, payees, or creditors or any Beneficiary, as a result of this Agreement or any Service. The Customer assumes full responsibility for resolving any such Dispute directly with the Person in a manner that does not adversely affect Royal Bank. Royal Bank is not responsible if the Person: (i) does not credit the Customer for an Instrument for whatever reason; (ii) charges the Customer fees or

penalties related to an Instrument; or (iii) does not supply the goods or services purchased or if the goods or services supplied are not suitable.

**13.5 Indemnity.** Except to the extent caused directly by Royal Bank's negligence or wilful misconduct, the Customer indemnifies and holds harmless Royal Bank from and against any Losses in connection with this Agreement, the Services, or any other dealings between Royal Bank and the Customer.

**13.6 Force Majeure.** Each party will notify the other, as soon as possible, of an actual or anticipated Force Majeure which may affect any Service, and a summary of the action to be taken by it as a result.

**13.7 Notice of Claim.** The Customer will, if not legally prohibited, immediately notify Royal Bank, verbally and in writing, of any Loss or Dispute which it becomes aware of in connection with this Agreement or any Service.

## 14. Changes

**14.1 New Services.** When a new service is offered by Royal Bank, the service is deemed to be a "Service" under this Agreement, and subject to the terms and conditions of this Agreement, immediately when the Customer is enrolled in, authorized for, or uses the service, without any other action required by the Customer, Royal Bank, or any other Person.

**14.2 Changes to Services.** Royal Bank may add, remove, or change any part or feature of the Services without providing notice to the Customer.

**14.3 Changes to Agreement.** Royal Bank may at any time amend, supplement, restate, or otherwise change this Agreement by giving the Customer notice of the change through announcements in Royal Bank's website for the Services or otherwise by giving the Customer notice in accordance with Section 16.1. If the affected Services are used 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. If any change is not acceptable to the Customer, the Customer must immediately stop use of the affected Services and contact Royal Bank for assistance. The Customer agrees to be bound by the latest version of the Schedules and Service Materials from time to time made available on Royal Bank's website for the Services, or otherwise provided to the Customer. The Customer agrees to regularly review these and any notice of change outlined above.

## 15. Termination

**15.1 Termination of Service.** Royal Bank or the Customer may terminate any Service at any time by giving the other written notice at least thirty (30) days prior to the effective date of termination, or as otherwise mutually agreed in writing by the parties.

**15.2 Termination of Agreement.** Royal Bank or the Customer may terminate this Agreement at any time by

giving the other written notice at least sixty (60) days prior to the effective date of termination, or as otherwise mutually agreed in writing by the parties. For greater certainty, termination of this Agreement will result in termination of all of the Services at the same time.

**15.3 Immediate Termination.** Royal Bank may immediately suspend or terminate any Service or this Agreement, in whole or in part, without prior notice, if: (i) required by Applicable Laws or a Regulatory Authority; (ii) there is, has been, or Royal Bank has reasonable grounds to anticipate, a security breach or breach of Applicable Laws in connection with the Services; (iii) there is, has been, or Royal Bank has reasonable grounds to anticipate, a breach of this Agreement or any other Document applicable to the Services which is, in Royal Bank's discretion, incapable of being cured to Royal Bank's satisfaction, or, if curable, is not cured to Royal Bank's satisfaction within thirty (30) days of notice of such breach having been provided by Royal Bank to the Customer; (iv) an event of Force Majeure continues for a period of thirty (30) consecutive days; (v) any proceedings are commenced, an order is made by a court of competent jurisdiction, or resolution of the directors or shareholders of the Customer is passed for the dissolution, winding-up, or liquidation of the Customer; or (vi) Royal Bank determines, in its discretion, there has been a material adverse change in the financial condition of, including an Act of Insolvency by, the Customer or any other Person which could affect the Services.

**15.4 Suspension or Termination of Services.** Suspension or termination of any Service under this Agreement will not terminate, negate, or lessen any of the Customer's responsibilities or obligations under this Agreement, and suspension or termination of any Service will not impair any of Royal Bank's rights under this Agreement.

**15.5 Survival.** Termination of any Service or this Agreement will not affect the rights and remedies of each party accrued to the date of termination, nor will it affect any provision of this Agreement which, by its nature, should apply after termination.

## 16. Miscellaneous

**16.1 Delivery of Documents, etc.** Any Document, including any disclosure or notice of change to this Agreement, may be delivered using one or more means of communication, which may include: (i) delivery in paper form; or (ii) delivery in electronic form using any Electronic Channel, including posting on Royal Bank's website. Any Document in paper or electronic form will be deemed to have been given and received on the day of delivery or posting, if delivered or posted before 4:00 p.m. (Toronto time) on a day Royal Bank is open for business to the public in Toronto, Ontario. Otherwise, any such Document will be deemed to have been given and received on the next following day Royal Bank is open for business to the public in Toronto, Ontario. Documents will be delivered to the Customer using the most recent contact information for the Customer held by

Royal Bank. The Customer will provide prior written notice to Royal Bank of any changes to the contact information contained in Royal Bank's records.

**16.2 Electronic Documents and Consent.** The Customer designates the RBC Express Message Centre as its designated information system, and consents to the provision by Royal Bank, and receipt by the Customer, of any Document through that Electronic Channel. Where the Services provided to the Customer do not include RBC Express, the Customer designates its Online Banking Message Centre as its designated information system. Where the Services provided to the Customer do not include either RBC Express or Online Banking, the Customer designates either: (i) facsimile (at the facsimile number provided by the Customer); or (ii) electronic mail (at the e-mail address provided by the Customer) as its designated information system. The Customer recognizes that: (i) the Customer may revoke its consent under this provision at any time, in whole or in part if the option to partially revoke is provided by Royal Bank; (ii) the Customer is responsible for informing Royal Bank of any changes to a designated information system where Royal Bank is in a position to accept such instructions at Royal Bank's discretion, and of any changes to the contact information related to any designated information system; (iii) any Document will be held in accordance with Royal Bank's enterprise record retention policy, and will be made available to the Customer during the applicable retention period; (iv) the Customer is responsible for retaining a copy of each Document; and (v) this consent takes effect immediately. Royal Bank may provide the Customer with any Document in paper form if Royal Bank deems appropriate, or if Royal Bank is unable to provide the Document in electronic form through the Electronic Channels at the above-noted designated information systems. The Customer is responsible for accessing the designated information system on at least a monthly basis, if applicable, in order to check for any notices provided pursuant to this Section.

**16.3 Default.** The Customer will be in default by the mere lapse of time fixed for performing an obligation.

**16.4 Multiple Parties.** If the Customer is more than one Person, each Person is jointly and severally (solidarily in Quebec) liable to Royal Bank for all debts, liabilities, and other obligations of the Customer.

**16.5 Successors and Assigns.** This Agreement may not be assigned by the Customer, either in whole or in part, unless agreed in writing by Royal Bank. This Agreement will constitute the continuing consent and agreement of the Customer, and will bind and enure to the benefit of each party and its heirs, executors, liquidators of successions, administrators, and other legal representatives, successors, and assigns.

**16.6 Conflicts.** If there is any inconsistency between any Service Materials and this Agreement, the Service Materials will prevail to the extent of any inconsistency for the

applicable Service. Any prior Document governing a Service is deemed to be incorporated in this Agreement. This Agreement will prevail to the extent of any inconsistency with a prior Document, unless Royal Bank determines, in its discretion, the prior Document should prevail in whole or in part.

**16.7 No Waivers.** No delay or omission by either party to exercise any right or power it has under this Agreement will impair or be construed as a waiver of such right or power. No waiver of any provision of this Agreement will be effective unless agreed in writing by Royal Bank.

**16.8 No Agency, Trust, or Partnership.** This Agreement does not create any agency, trust, joint venture, or partnership relationship between the parties or between Royal Bank and any other Person, including any Beneficiary. Nothing in this Agreement will confer on the Customer or any Person the authority to act for, bind, create, or assume any obligation or responsibility, or make any representation, on behalf of Royal Bank.

**16.9 No Fiduciary Relationship.** This Agreement does not create any fiduciary obligations or relationship between the parties. The Customer understands and acknowledges the merit and risk associated with this Agreement and each Service, and acknowledges it has sufficient knowledge and experience to evaluate and assume such merit and risk. The Customer will not construe any information provided by Royal Bank as legal, tax, investment, financial, or business advice or counsel. The Customer is relying on the advice of its own advisors and counsel, which are unaffiliated with Royal Bank, for purposes of entering this Agreement and using any Service.

**16.10 No Third Party Beneficiaries.** This Agreement is only for the benefit of Royal Bank and the Customer, and is not intended to confer any legal rights, benefits, or remedies on any other Person except to the extent otherwise provided in this Agreement. There are no third party beneficiaries to this Agreement.

**16.11 Further Assurances.** Immediately on request by Royal Bank, the Customer will: (i) provide to Royal Bank any and all information, evidence, and other Documents which Royal Bank requests in connection with any Service, including to verify compliance with this Agreement; and (ii) execute any Document and do or cause to be done all acts reasonably necessary or desirable to implement and carry into effect this Agreement to its full extent.

**16.12 Severability.** Any provision of this Agreement that is or becomes unenforceable, will be unenforceable only to the extent of such unenforceability without invalidating the remaining provisions hereof. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement and such invalid provision will be deemed to be severable. The Customer waives any provision of Applicable Laws that may render any provision hereof unenforceable in any respect.

**16.13 Governing Law.** This Agreement will be exclusively governed by the laws of the Province or Territory in which the Services are used by the Customer, or, if the Services are used by the Customer outside of Canada or in multiple jurisdictions, this Agreement will be exclusively governed by the laws of the Province of Ontario. The Customer irrevocably submits to the courts of the Province or Territory specified above in any action or proceeding arising out of or relating to this Agreement or the Services. The Customer irrevocably agrees that all such actions or proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defence of an inconvenient forum. The Customer agrees that a judgement or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by Applicable Laws. Royal Bank may serve legal process in any manner permitted by Applicable Laws or may bring an action or proceeding against the Customer or the property or assets of the Customer in the courts of any other jurisdiction.

**16.14 Counterparts.** This Agreement may be entered in parts and each part may be entered using an Electronic Channel. Together all parts constitute one and the same Agreement.

**16.15 Language.** The parties acknowledge that they have required that this Agreement and all related documentation be drawn up in the English language. Les parties reconnaissent avoir demandé que la présente convention ainsi que tous les documents qui s'y rattachent soient rédigés en langue anglaise.

## PART B – ADDITIONAL TERMS FOR SPECIFIC SERVICES

This Part of the Agreement contains terms for specific Services which may not be used by the Customer at the time the Customer enters into the Agreement. The terms for each of these Services will become applicable to the Customer when the Customer is enrolled in, authorized for, or uses the Service.

### 17. Accounts

**17.1 Overdrafts.** Unless otherwise agreed by Royal Bank, and notwithstanding any prior course of conduct, Royal Bank may, but will have no obligation to, honour, and Royal Bank may at any time in its discretion refuse to honour, any Instrument which, if honoured, might overdraw an Account or increase an overdraft in an Account. The Customer will pay to Royal Bank, on demand, the amount of any overdraft in an Account, together with interest. The rate of interest payable on any overdraft in an Account will be Royal Bank Prime Rate plus 5% for Canadian dollar Accounts, and US Base Rate plus 5% per annum for US dollar Accounts, or the rate otherwise agreed to in writing by Royal Bank and the Customer. The interest will accrue daily on the basis of a 365 day year and will be calculated and payable monthly. For the purposes of the Interest Act (Canada), if a rate of interest is or is to be calculated on the basis of

a period which is less than a full calendar year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by the actual number of days in the calendar year for which such calculation is made and divided by the number of days in such period.

**17.2 Credit Balances.** Unless otherwise agreed in writing by Royal Bank, amounts standing to the credit of an Account will not bear interest.

**17.3 Electronic Statements.** Royal Bank may, in its discretion, provide Account statements in paper or electronic form using any Electronic Channel. The Customer is responsible for ensuring that each electronic statement is accessed and reviewed regularly in accordance with this Agreement. Royal Bank is under no obligation to provide the Customer or any other Person with notice of the availability of the electronic statement. Royal Bank is not responsible for any Losses resulting from the Customer's failure to receive electronic statements as a result of any Accounts not being electronically enrolled or if the Customer fails to notify Royal Bank of non-receipt in accordance with this Agreement.

**17.4 Hold Policy.** Funds for cheques and other Instruments deposited to an Account may not be accessible immediately. The length of the hold period can vary depending on the location of the issuing financial institution. In general, the length of the hold period is: (i) five (5) business days, or any shorter period required by law, for cheques and other Instruments in Canadian or US currency drawn on a Canadian branch of a Canadian financial institution; (ii) fifteen (15) business days for cheques and other Instruments drawn on a US financial institution; and (iii) twenty-five (25) business days for cheques and other Instruments drawn on a foreign financial institution other than in the US. After the hold period, the Customer may access the funds in the normal course. However, Royal Bank's release of funds to the Customer does not mean that the cheque or other Instrument cannot be returned. If the cheque or other Instrument is returned after the hold period, Royal Bank may charge the amount of the cheque or such other Instrument to the Account. For these purposes, the term "business day" means regular weekdays only and excludes Saturdays, Sundays, and holidays under Applicable Laws.

**17.5 Trust Funds.** The Customer continuously represents, warrants, covenants, and agrees that there are no funds in any Account which are subject to a trust or ownership interest in favour of any other Person (a "Beneficiary"), except to the extent Royal Bank has agreed to the use of the Account for such purpose, and Royal Bank has coded the Account as a trust account in its records. If an Account contains trust funds, the Customer represents, warrants, covenants, and agrees that: (i) the Customer has the legal capacity and power, authority, and discretion to deposit the trust funds in the Account and provide any other instructions regarding any trust funds or Account,

including with respect to the deposit, investment, and withdrawal of the trust funds and the opening, operating, and closing of any Account, and that this power, authority, and discretion may be delegated by the Customer to any Person, including as specified in any Authorization Forms, Service Materials, or other Document held by Royal Bank; (ii) the Customer is in compliance, and will comply, with all Applicable Laws and other obligations, including those applicable to any trust funds, Account, or Beneficiary; (iii) Royal Bank does not have knowledge of, and is not bound to see to the execution of, any trust, Applicable Laws, or other obligation to which any trust funds, Account, or Beneficiary is subject; (iv) the Customer will ensure that each Account containing trust funds will be designated and coded as a trust account in the records of Royal Bank and the Customer. The Customer will keep all trust funds separate and apart from any other funds, investments, or other assets of the Customer, and will ensure they are not comingled, to the extent required by any Applicable Laws or other obligation. The Customer will keep the trust funds segregated for each Beneficiary to the extent required by any Applicable Laws or other obligation; (v) no trust funds or Account will be used, directly or indirectly, for any Person other than as described herein and no Person other than the Customer and its delegates pursuant to subsection (i) above may provide instructions with respect to any Account containing trust funds; and (vi) the Customer will not permit any pledge or assignment of, or security interest (including hypothecs and assignments) against, any trust funds, Account, or any related Instrument, except to the extent agreed in writing by Royal Bank. The eligibility of trust funds for separate CDIC coverage per Beneficiary is subject to the Customer's compliance with the applicable by-laws and other requirements of CDIC. CDIC by-laws prescribe the time, form, and manner in which the Customer must disclose the interest of a Beneficiary to Royal Bank. The Customer should visit [cdic.ca](http://cdic.ca) or call 1-800-461-2342 for details. Royal Bank is not responsible for ensuring that such CDIC coverage requirements are met, and Royal Bank makes no representation in this regard. The Customer will direct Royal Bank as to what investments are required for any trust funds in accordance with Applicable Laws and other applicable obligations. Subject to the Customer's direction, trust funds deposited in an Account may pay interest through GICs of varying terms or other interest-bearing deposits offered to the Customer by Royal Bank from time to time. Royal Bank will rely on the Customer's direction respecting the investment of trust funds. If payable, interest will be credited to an Account in accordance with the type of GIC or other deposit held in the Account, and on the termination of the Account. Unless otherwise agreed in writing by Royal Bank, Royal Bank will automatically renew any GIC or other investment on maturity and on each succeeding maturity date for the term originally or most recently instructed by the Customer. The amount re-invested will be the original amount of trust funds deposited, plus all paid interest to the maturity



date. The withdrawal of trust funds in an investment, and the cancellation of a GIC or other investment prior to its maturity, is subject to the terms of the investment or Royal Bank's discretion. The Customer will provide any Document requested by Royal Bank for such purpose, in form and substance satisfactory to Royal Bank. None of Royal Bank or its Representatives will be responsible for any Losses arising in connection with any trust funds or Beneficiary. The Customer will pay, indemnify, and hold harmless Royal Bank and its Representatives for, all Losses arising in connection with any trust funds, Account, or Beneficiary, including in connection with any Instrument or any other deposit, investment, or withdrawal of the trust funds which does not comply with any Applicable Laws or other applicable obligation.

## 18. Debit Blocking

18.1 Definitions. Capitalized terms used for this Service that are defined in CPA Rule H1 have the meanings given in that Rule.

18.2 Enrolment Period. It may take up to 10 days (the "Enrolment Period") for this Service to commence following Royal Bank's execution of the applicable Service Materials. No cheques or Business PADs drawn on an Account will be returned by Royal Bank during any Enrolment Period.

18.3 Automatic Returns. The Customer will not have an opportunity to review any cheque or Business PAD before it is automatically returned by Royal Bank as dishonoured pursuant to this Service.

18.4 Cheques and Business PADs Only. Except for cheques and Business PADs returned by Royal Bank pursuant to this Service, no other Instrument or other debit drawn on an Account, including any Cash Management PAD or Funds Transfer PAD, will be returned by Royal Bank as part of this Service.

18.5 Applicable Laws. The Customer represents, warrants, covenants, and agrees that it is in compliance, and will comply, with all Applicable Laws, including with respect to the stop payment of any cheque and the revocation of its authority for any Business PAD if required in connection with this Service.

18.6 Future Assurance. Immediately on request by Royal Bank, the Customer will provide an affidavit in connection with the return of a fraudulent cheque or a Reimbursement Claim in connection with the return of a Business PAD.

## 19. Credit

19.1 Authorizations. The Customer represents, warrants, covenants, and agrees that each Person who borrows or establishes credit on the Customer's behalf, or uses a Service which results in borrowing by the Customer or the provision of credit to the Customer, has been properly authorized by all necessary actions to: (i) borrow or obtain credit from Royal Bank in such amounts and on such terms as the Person deems appropriate, whether by loan,

advance, overdraft, or by any other means; (ii) mortgage, hypothecate, charge, pledge, convey, assign, transfer, or create a security interest in any or all of the property, real and personal, immovable and moveable, undertakings, and rights of the Customer, present and future, to secure the payment and performance of any or all present and future liabilities and obligations to Royal Bank; (iii) enter into financial leases with Royal Bank; and (iv) guarantee the obligations of any other Person to Royal Bank.

19.2 No Restrictions. The Customer represents, warrants, covenants, and agrees that there are no provisions under Applicable Laws, its constating documents, or any by-laws, resolutions, or other applicable obligations that restrict or limit the Customer, or any Person on the Customer's behalf, from exercising any of the rights, powers, or authorities described in Section 19.1.

## 20. Night and Day Depository

20.1 Deposits. Deposits must be made using a type of bag that is pre-approved by Royal Bank and secure. A deposit will only contain notes, coins, cheques, or other Instruments. Each deposit must be accompanied by an itemized deposit slip, in duplicate, visibly listing its contents and showing separately the amount represented by Canadian or US dollar notes, coins, and other Instruments.

20.2 Delivery. Each deposit will be dropped or delivered, properly sealed, in a designated deposit chute or depository at certain Royal Bank branches. Deposits may also be delivered to tellers at a Royal Bank branch, at a higher cost to the Customer. The Customer will ensure each deposit bag is securely sealed before being dropped or delivered, and that each chute or depository is immediately closed or locked after each use. If there is any suspected or actual unusual state of condition or defect in a chute or depository, the Customer will immediately provide verbal and written notice to the manager of the Royal Bank branch where the chute or the depository is located.

20.3 Keys. If Royal Bank provides one or more keys permitting access to a depository, the Customer will notify Royal Bank of receipt by the Customer, or by a Person on the Customer's behalf, of each key. Each key remains at all times property of Royal Bank, and may not be duplicated. In the event of any suspected or actual loss or theft of a key, the Customer will ensure notice of this is immediately provided to the manager of the Royal Bank branch at which the depository is located. Each key will be immediately returned to Royal Bank when this Service is suspended or terminated, when use of a depository ceases, or otherwise at Royal Bank's request. The Customer will pay Royal Bank on demand all Losses in connection with any loss or theft of, or failure to return to Royal Bank, any key, including for replacing each lock, key and all other keys to the depository.

20.4 At Customer's Risk. The Customer agrees that the use of this Service, including any use or attempted use of

a chute or depository, by the Customer or any other Person on its behalf is at the sole risk of the Customer, and the Customer will indemnify and hold harmless Royal Bank for any related Losses. Royal Bank assumes no responsibility or liability whatsoever in respect of any Losses suffered or incurred by the Customer or any other Person relative to their use or attempted use of the Service, including with respect to anything delivered or intended to be delivered or any injury or other Loss sustained by the Customer or other Person while using or attempting to use a chute or depository. The Customer is exclusively responsible for anything delivered to Royal Bank in any bag, and assumes the risk or loss thereof, until entered by Royal Bank in its records as a deposit.

**20.5 Unopened Bags.** On enrolment in this Service the Customer may request to take delivery of its bags unopened. If this is agreed by Royal Bank, the Customer agrees: (i) each bag will be clearly marked in a manner pre-approved by Royal Bank and which indicates it is to be returned to the Customer unopened; (ii) each bag will be picked-up by the Customer on the next day the applicable Royal Bank branch is open for business immediately following the day on which the bag is placed in a depository, or on such later date when the bag is made available by Royal Bank; and (iii) the contents of each bag delivered by Royal Bank to the Customer shall be conclusively deemed to be exactly the same as the contents of the bag when it was placed in the depository. Royal Bank is not responsible for any delays associated with the delivery of a bag to the Customer, including if a bag is inadvertently picked-up by Royal Bank or an armoured car courier on Royal Bank's behalf.

**20.6 Processing Contents.** Except where Royal Bank has agreed to deliver bags to the Customer unopened in accordance with Section 20.5, Royal Bank is authorized to open each bag and remove and process the contents in accordance with this Agreement. Royal Bank is not obligated to process any contents which Royal Bank, in its discretion, does not consider acceptable, and the Customer shall timely take delivery of any contents not processed by Royal Bank.

**20.7 Royal Bank's Records.** Royal Bank's records concerning the Customer's use of this Service, including Royal Bank's count or determination of the number of bags or contents of each bag, are, in the absence of manifest error, deemed conclusively correct and irrevocably binding on the Customer. The relationship between Royal Bank and the Customer shall, relative to the contents of any bag, only become one of debtor and creditor, respectively, after the time the contents have been removed, counted, verified, accepted, and entered by Royal Bank in its records as a deposit.

**20.8 Provisional Credits.** Any provisional credit to an Account based on a deposit slip is subject to change, and Royal Bank may debit or credit the Account, to the extent necessary based on Royal Bank's actual count or

determination of the contents of each bag. Any note, coin, or Instrument that requires conversion from one currency to another will be converted at the time it is counted by Royal Bank using the applicable currency conversion rate established for such purpose by Royal Bank, in its discretion, at that time. Any provisional credit to an Account will be changed, and Royal Bank may debit or credit the Account, to the extent necessary to reflect the amount of funds converted and to deduct any conversion fees.

**20.9 Withdrawal of Depository.** Royal Bank will have the right to change or withdraw from the Service any chute or depository, without prior notice, and Royal Bank will not be responsible for any resulting Losses.

## **21. Non-Manual Signing of Instruments and Instructions**

**21.1 Binding Effect.** In the applicable Schedule, the Customer will provide Royal Bank with specimens of the mechanical, electronic, or other non-manual signatures which may be used for its Documents. Any Document, including Instruments, bearing any such signature shall have the same legal effect as if in written paper form signed by the Customer, and the Customer is bound by, and responsible for, the resulting transactions. Royal Bank is authorized to give effect to any Document, including any Instrument, bearing such mechanical, electronic, or other non-manual signature, and regardless of who actually affixed the mechanical, electronic, or other non-manual signature, how that signature came to be affixed, or whether it is genuine.

## **22. Pre-Authorized Debits**

**22.1 Definitions.** Capitalized terms used for this Service that are defined in CPA Rule H1, have the meanings given in that Rule.

**22.2 Sponsoring Member.** Royal Bank will act as the Customer's Sponsoring Member for processing Cash Management PADs, Business PADs, or Personal PADs.

**22.3 NDDS Method 3.** If the Customer wishes to use Royal Bank's NDDS Method 3, then, subject to Royal Bank's approval, the Customer will provide Royal Bank the Schedule applicable to NDDS Method 3.

**22.4 Letter of Undertaking.** This Section is the Payee Letter of Undertaking for PADs issued by the Customer. In accordance with CPA Rule H1, each time this Service is used, the Customer implicitly represents and warrants to, and covenants with, Royal Bank as follows:

(i) **Payor Approval.** Each Payor on whose behalf any debit purports to have been drawn or direction purports to have been given shall have signed or otherwise duly Authorized and delivered to the Payee an authority instructing the Payee to issue debits, and, where applicable, shall have given the Payee a direction pursuant to such an authority to issue a debit as though it were signed or otherwise duly Authorized by such Payor instructing such direction to be acted on as though it were a Written instruction signed

by such Payor. The Customer undertakes to ensure that each Payor's PAD Agreement and Authorization meets the requirements of CPA Rule H1, including Appendix II of CPA Rule H1. The Customer shall maintain all records of, and undertakes to make available, immediately on the request of Royal Bank, a Payor or an authorized representative of the Payor (including the Processing Member), evidence of the authority of a Payor for whom the Payee has issued or caused to be issued any PAD, including each Payor's PAD Agreement and Authorization.

(ii) **Valid Signing Authority.** The Customer is solely responsible to ensure that each Payor's PAD Agreement and Authorization is signed or otherwise duly Authorized by the Payor in a form that constitutes proper authority for Royal Bank and the Processing Member to debit the Payor's designated account as may be set out in the Payor's account agreement with its Processing Member.

(iii) **Payor Acknowledgement for Cash Management PADs.** Where the Payor and the Customer are the same Person, the Customer agrees Royal Bank may debit its designated account for such PAD. Where the Payor and Payee are not the same Person, the Customer confirms the Customer and the Payee are closely-affiliated Businesses, the Payor has received, reviewed, and Authorized this Payee Letter of Undertaking, and the Customer, Royal Bank, and the Processing Member are authorized to debit the designated accounts of the Payor. The Customer confirms this subsection constitutes proper authority for the Processing Member to debit the Customer's or Payor's designated accounts for Cash Management PADs in accordance with the applicable account agreement with the Processing Member.

(iv) **Sporadic PADs.** If any PADs are Sporadic or may be issued with Sporadic frequency, proper Authorization will be obtained from the Payor for each and every such PAD, in accordance with CPA Rule H1.

(v) **CPA General Indemnity.** In addition to the Customer's indemnity in Part A of this Agreement, except to the extent caused directly by Royal Bank's negligence, the Customer undertakes and agrees to hold harmless and to indemnify Royal Bank and any applicable Processing Member against any and all losses, costs, fees (including reasonable legal and other professional fees and disbursements), damages, expenses, liabilities, claims, suits and demands whatsoever that Royal Bank or any applicable Processing Member may suffer, incur or be under or that may be made or brought against Royal Bank or any such Processing Member by reason of or in any way arising out of any of the Services, including the action in drawing and issuing any debit.

(vi) **Liability for Accuracy.** The Customer shall be solely responsible for the accuracy and completeness of all information furnished to Royal Bank in connection with the Services, and Royal Bank shall not be responsible in any way for errors resulting from the inaccuracy or

incompleteness of any information furnished to Royal Bank. Without limiting the generality of subsection (v) above, the Customer undertakes and agrees to indemnify Royal Bank for all amounts that may be erroneously paid by Royal Bank or any Processing Member in respect of any PAD erroneously credited or debited by Royal Bank or any Processing Member pursuant to any direction from or on behalf of the Payee.

(vii) **Force Majeure.** Royal Bank shall not be liable to the Customer or any other Person for any delay, damage, penalty, cost, expense or inconvenience to the Customer or such other Person resulting from Royal Bank's failure to perform any of the Services by reason of any cause beyond Royal Bank's control.

(viii) **Payor's Claim for Reimbursement.** The Customer undertakes and agrees to reimburse Royal Bank and any Processing Member for payment of any claim, including any interest claim, made by a Payor or other Person in accordance with the CPA Rules Manual, including any claim paid by Royal Bank as a result of a Reimbursement Claim filed by a Payor or other Person alleging that: (A) the PAD was not drawn in accordance with the Payor's PAD Agreement; (B) the Payor's PAD Agreement was revoked; (C) any required Pre-Notification was not given at least ten (10) days before the date a related PAD was processed to the account of the Payor, or was not waived in accordance with CPA Rule H1; (D) Confirmation was not provided in accordance with Section 16 of CPA Rule H1; or (E) no Payor's PAD Agreement existed between the Person making the claim and the Payee with respect to a particular PAD.

(ix) **Assignment.** This Payee Letter of Undertaking may not be assigned, directly or indirectly, by operation of law, change of control or otherwise, without the prior written consent of Royal Bank. No Payor's PAD Agreement may be assigned by the Payee, directly or indirectly, by operation of law, change of control or otherwise, except: (A) with respect to the assignment of a Paper Agreement: (i) if the Payee has prominently displayed (e.g. in bold print, highlighted or underlined) an assignment clause in the Payor's PAD Agreement and the Payee has provided to the Payor Written notice of the full details of such assignment, including the identity and contact information of the assignee; or (ii) the Payee has provided to the Payor prior Written notice of the full details of such assignment, including the identity and contact information of the assignee, a minimum of ten (10) days in advance of any PAD being issued in the assignee's name; or (B) with respect to the assignment of an Electronic Agreement: (i) if the Confirmation contains, in addition to the clauses on the mandatory form set out in Appendix IV of CPA Rule H1, an assignment clause that is prominently displayed (e.g. in bold print, highlighted or underlined) and the Payee has provided to the Payor Written notice of the full details of such assignment, including the identity and contact information of the assignee; or (ii) the Payee has provided to the Payor, prior Written notice of the full

details of such assignment, including the identity and contact information of the assignee, a minimum of ten (10) days in advance of the next PAD being issued in the assignee's name.

(x) **Name Change.** The Customer shall provide a minimum of ten (10) days Written notice to Royal Bank and the Payor in advance of the next PAD, where a Payee's name has changed.

(xi) **CPA Rules / Confirmation / Pre-Notification.** The Customer agrees it is bound by, and will comply with, respect and apply all relevant provisions of, the CP Act and all related by-laws, rules, and standards in force from time to time as they apply to the Payee and all PADs issued in connection with the Services, including the Confirmation / Pre-Notification requirements or waiver of Pre-Notification requirements and cancellation requirements as set out in CPA Rule H1.

(xii) **Cancellation.** Without limiting the generality of subsection (xi) above, the Customer hereby agrees that, subject to the expiry of any reasonable cancellation notice period (not to exceed thirty (30) days) that has been clearly set out in any agreement between the Payor and the Payee (including in an applicable Payor's PAD Agreement), on receipt by the Payee of any Written or otherwise oral communication from a Payor clearly instructing the Payee to cease issuing PADs or otherwise revoking a Payor's PAD Agreement or an Authorization to issue PADs, the Customer shall ensure the PAD is cancelled in the next business, billing or processing cycle, but shall (within not more than thirty (30) days from the notice) cease any new PADs against that Payor and ensure no further PADs are issued against that Payor unless and until that Payor provides the Payee with a new Payor's PAD Agreement.

(xiii) **Notices of Change.** The Customer undertakes and agrees to: (A) accept and act on any notice of change of a Payor's payment routing information that it receives from Royal Bank that was provided to Royal Bank by the Payor's Processing Member in relation to an administrative change to that information by the Processing Member pursuant to CPA Rule F12 that does not involve changing that Processing Member; and (B) deem such notice of change to be that Payor's authorization to change its relevant payment routing information, provided that Royal Bank shall be responsible to the Customer only for the accuracy of information provided in any such notice of change that Royal Bank provides to the Customer.

(xiv) **Re-Presentation.** In the event of the return of a PAD for reason of "Non-Sufficient Funds" or "Funds Not Cleared," the PAD may be re-presented electronically on a one-time only basis for the same amount as the original PAD, and provided that such PAD is re-presented within thirty (30) days. Any such re-presentation of a PAD shall not contain interest, Non-Sufficient Funds charges or any other charges in addition to the amount of the original PAD.

(xv) **Termination of Service.** Notwithstanding any termination of the Service, the provisions of CPA Rule H1 and the indemnification provisions of this Agreement shall continue to remain in full force and effect with respect to any PAD drawn and issued or any other obligation of a Sponsoring Member in accordance with the provisions of this Agreement prior to the day upon which such termination takes effect.

## 23. Stop Payments

23.1 **Processing.** The Customer will ensure that the cheque or debit to be stopped has not already been paid or processed through the applicable Account. Royal Bank will confirm receipt of stop payment instructions. The following information must be provided for each cheque or debit to be stopped: (i) amount; (ii) date; (iii) payee name; (iv) serial number (note that the MICR encoded serial number is required in order for the system to capture it); and (v) reason for the stop payment. To stop a series of pre-authorized debits, stop payment instructions must be submitted for each debit in the series. Any stop payment instruction will remain in place for only one (1) year from the date the instruction is accepted by Royal Bank. It is the Customer's responsibility to follow-up on all stop payment instructions, and to ensure the payee has been notified that a stop payment instruction has been given. The issuance and processing of a stop payment instruction may not affect the legal obligation to the payee or any other Person. The payee must be contacted directly to cancel any contract with the payee as required. Royal Bank will process all stop payment instructions in accordance with CPA Rules, but Royal Bank does not guarantee a cheque or debit will be stopped even if a stop payment instruction has been processed. Royal Bank is not responsible for any Losses arising as a result of a stop payment instruction or related Instrument.

## 24. U.S. Par Crossed

24.1 **Definitions.** For purposes of this Service, the following defined terms will be used:

"**Business Day**" means a day (other than a Saturday or Sunday) on which national banks are open for business to the general public in the State of New York, provided, however: (i) a Business Day for RBC New York Branch will be limited to only those Business Days on which RBC New York Branch is open for business for the purpose of receiving and processing Par Crossed Cheques for Royal Bank's customers; and (ii) a Business Day for Royal Bank (for greater certainty, excepting RBC New York Branch) will be limited to only those Business Days on which Royal Bank is open for business for Royal Bank's customers; and

"**Canadian Statutory Holiday**" means New Years Day\* (January 1), Good Friday, Victoria Day (third Monday in May), Canada Day\* (July 1), Labour Day (first Monday in September), Thanksgiving Day (second Monday in October), Remembrance Day\* (November 11), Christmas



Day\* (December 25), Boxing Day\* (December 26) or any other day on which Royal Bank is closed in the province in which the applicable branch of account is located. If any of the holidays noted by asterisks falls on a day that is a Saturday, Sunday, or another Canadian Statutory Holiday, the next business day will be deemed to be the date for such holiday for the purposes of this definition.

**24.2 Direct Obligations.** Par Crossed Cheques may only be issued by the Customer in payment of a direct obligation of the Customer to the Customer's payees and not in payment of an obligation of another Person. For example, Par Crossed Cheques may not be issued to pay the Customer's clients' obligations to their payees or any other Person.

**24.3 Cheque Standards.** Par Crossed Cheques will comply with Applicable Laws, including Standard 006, Part A of the CPA Rules, NACHA Rules, and the applicable standards and rules of the American Bankers Association. Royal Bank is not responsible for any delays or Losses resulting from the use of any Par Crossed Cheques which are not compliant with the foregoing.

**24.4 Payment of Cheques.** Royal Bank may pay any Par Crossed Cheque, including any image or reproduction in whole or in part of any Par Crossed Cheque or information contained therein, that is presented for payment to RBC New York Branch, unless: (i) the Customer has provided in writing to Royal Bank valid stop payment instruction on that Par Crossed Cheque, which Royal Bank has accepted no later than the Business Day preceding the date the Par Crossed Cheque is presented to RBC New York Branch, or as otherwise agreed to in writing by Royal Bank; or (ii) the Customer has advised Royal Bank in writing, no later than 12:00 noon New York time, the Business Day following presentation of the Par Crossed Cheque to RBC New York Branch, that the Par Crossed Cheque should be returned unpaid due to a problem with the Par Crossed Cheque, including if it contains any forged, missing, or unauthorized signature or alteration or if the Par Crossed Cheque is future-dated.

**24.5 Stop Payments and Returns.** The Customer will be solely responsible for providing instructions for the stop payment or return of a Par Crossed Cheque. If there is an intervening Canadian Statutory Holiday which is a Business Day for RBC New York Branch, between the date of presentment of the Par Crossed Cheque and the instruction deadlines referred to above, the instructions for stop payment or return may not be received in time to comply with return deadlines in New York and the Customer will be responsible for such Par Crossed Cheque paid by RBC New York Branch, or, should the cheque be returned to RBC New York Branch and the return subsequently disputed, the Customer will be responsible to reimburse RBC New York Branch. If Royal Bank receives instructions for a stop payment or return when RBC New York Branch is closed, the instruction will be deemed to have been made by the Customer on the next full Business Day on which RBC New

York Branch is open for the general conduct of its business with the public. If no instruction for stop payment or return is made as provided above and a Par Crossed Cheque is paid by RBC New York Branch, Royal Bank may debit such Par Crossed Cheque to the applicable US dollar Account, or any other Account.

## PART C – GLOSSARY

### 25. Interpretation

In this Agreement: (i) all references to the this Agreement, including any Service Materials, or to any Document, product, or service, including the Services, or to any law, statute, regulation, guideline, policy, procedure, rule, standard, or directive, including any Applicable Laws, or otherwise, include same as may be amended, restated, supplemented, or otherwise modified from time to time; (ii) all references to any Person, including any Regulatory Authority, includes its successors and assigns; (iii) the division of this Agreement into Parts, Articles, Sections, subsections, and other subdivisions, and the insertion of headings, are for convenience of reference only and should not affect construction or interpretation; (iv) words denoting the singular number will include the plural, and vice versa; (v) words denoting the masculine gender include the feminine and neutral genders, and vice versa, as the context otherwise permits; (vi) the word "including" means "including without limitation", and the word "includes" means "includes without limitation"; (vii) all provisions, including all rights and obligations of the parties, are cumulative, and should not be interpreted as limiting any provision unless this intent is expressly indicated; (viii) the words "hereto", "herein", "hereof", "hereunder", "this Agreement", and similar expressions mean this Agreement as a whole, and not any particular Part, Article, Section, subsection, or other subdivision, unless the context otherwise requires; and (ix) unless otherwise specified, all dollar amounts referred to in this Agreement are in lawful money of Canada.

### 26. Definitions

In this Agreement, unless otherwise defined, capitalized terms have the meanings given below:

**"Account"** means a business deposit account provided by Royal Bank;

**"ACSS"** means the Automated Clearing Settlement System;

**"Act of Insolvency"** means any action that results, or might reasonably be expected to result, in the Customer: (i) being unable to pay its debts as they become due; (ii) ceasing to pay its current obligations in the ordinary course of business as they generally become due; or (iii) being deemed bankrupt or insolvent under Applicable Laws, including, if applicable, pursuant to the Winding-up and Restructuring Act (Canada);

**“Agreement”** means the Master Client Agreement for Business Clients and includes each Authorization Form, these Legal Terms and Conditions, and all Service Materials. Each Document forming part of the Agreement is deemed incorporated in the Agreement and each other part of the Agreement, immediately when given effect by Royal Bank, without any other action required by Royal Bank, the Customer, or any other Person;

**“Applicable Laws”** means all applicable laws, decrees, regulations, decisions, treaties, ordinances, rulings, judgments, injunctions, writs, orders and awards of any court, arbitrator or Regulatory Authority, all directives, guidelines, advisories and rulings issued or made by an applicable Regulatory Authority, and the constitution, rules, standards, directives, guidelines, operating or other circulars, regulations, customs and uses of the exchange, central or reserve banks, markets and clearinghouses or systems, including CPA Rules, NACHA Rules, SWIFT Documentation, and all applicable laws relating to anti-money laundering and anti-terrorist financing, in each case, applicable to this Agreement, the Services, Royal Bank, the Customer, their respective businesses, and any other Person that is part of or connected with any transaction under this Agreement, including any Person originating transactions processed under this Agreement or transmitting those transactions through a payments system or otherwise, and the Person receiving the aforementioned transactions, as the case may be;

**“ATM”** means automated teller machine;

**“Authorization Form”** means any Service Materials or other Document which identifies a Person to use the Services;

**“Beneficiary”** has the meaning given in Section 17.5;

**“Certificate Holder”** means an individual holder of a Digital Certificate issued by Royal Bank, and who is authorized to act on behalf of the Customer;

**“Client Card”** means a debit card issued by Royal Bank to the Customer, or any Person on the Customer’s behalf, with a unique card number, and includes the use of the unique card number;

**“Confidential Information”** means all information, other than Non-Protected Information, whether or not identified as confidential at the time of disclosure, relating to the businesses, operations, assets, clients and employees of the disclosing party or its affiliates, or the business of its suppliers and clients, whether provided by the disclosing party or its Representatives, at any time before or after the date of this Agreement, including notes, reports, summaries, analyses, compilations, memoranda, studies, interpretations and any other written or electronic materials or information communicated orally, which contain or otherwise reflect the disclosing party’s Confidential Information. For greater certainty, Confidential Information includes intellectual property rights of, and personal information provided by, the disclosing party, and

the fact that discussions or negotiations are taking place concerning the Services involving the parties, or any of the terms, conditions or matters then being discussed with respect to the Services, including their status;

**“CP Act”** means the Canadian Payments Act and the by-laws, regulations, standards, rules, and policies relating to the CPA;

**“CPA”** means the Canadian Payments Association;

**“CPA Rules”** means the rules, standards, guidelines, and directives of the CPA;

**“Customer”** means the Person who enters this Agreement or who is enrolled in, authorized for, or uses any Service, including the Person’s Representatives;

**“Digital Certificate”** means a certificate issued by Royal Bank to a Certificate Holder that contains an Encryption Certificate and a Signing Certificate;

**“Digital Signature”** means a transformation of a message using an asymmetric cryptography system such that Royal Bank, having received a Certificate Holder’s initial message and such Certificate Holder’s signature verification Public Key, can accurately determine whether the transformation was created using the signing Private Key that corresponds to such Certificate Holder’s signature verification Public Key and whether the message has been altered since that transformation was made;

**“Disabling Code”** means any clock, timer, counter, virus, worm, software lock, drop dead device, trojan horse routine, trap door, time bomb, or any other unauthorized codes, designs, routines or instructions that may be used to access, modify, replicate, distort, delete, damage or disable any Electronic Channel, including any related hardware or software;

**“Dispute”** means a cause of action, issue, disagreement or problem that may arise under or in connection with this Agreement;

**“Document”** means any agreement, amendment (including an amendment to this Agreement), statement, disclosure, notice, request, consent, information, instruction, communication, Instrument, Service Materials, or other document, including any of the foregoing made, drawn, accessed, sent, received, accepted, endorsed, negotiated, signed, or processed verbally or in paper or electronic form through any Electronic Channel;

**“EDI”** means Electronic Data Interchange, the computer-to-computer electronic exchange of Documents in the format prescribed by CPA Rules;

**“Electronic Channel”** means any telecommunication or electronic transmission method which may be used in connection with the Services, including any ATM, computer, email, facsimile, Internet, mobile device, mobile phone, network, personal digital assistant, point-of-sale terminal, smart phone, SWIFT or SWIFT Network, telephone, wire transfer system, or wireless device;

**“Encryption Certificate”** means a certificate that is comprised of an encryption Public Key that corresponds to a decryption Private Key that is subject to the exclusive access of a Certificate Holder;

**“Force Majeure”** means any event, act, or omission beyond the reasonable control of a party exercising reasonable foresight and diligence, including a labour dispute, act of God, flood, fire, lightning, severe weather, shortage of materials, interruption in, or shortage of, the supply of electric power or other utilities, earthquake, act of terrorism, war, revolution, civil commotion, act of public enemies, blockade, embargo, pandemic disease, or any law, order, proclamation, regulation, ordinance, demand or requirement having legal effect of any Regulatory Authority or Applicable Laws;

**“GIC”** means guaranteed investment certificate;

**“Instrument”** means a bill of exchange (including a cheque), promissory note, security, chattel paper, other instruction or order for the payment of money given verbally or in paper or electronic form, clearing item, payment item, or other value item (including any automated clearing house payment, pre-authorized deposit or debit payment), including any image or reproduction of the foregoing. Any such item will be considered an Instrument whether or not that Customer is a party to it and whether it is in Canadian or another currency;

**“Joint Banking”** means any Service or OPS that is provided on a joint basis to the Customer where the Customer consists of more than one Person;

**“Legal Terms and Conditions”** mean the terms and conditions herein contained;

**“Losses”** means all losses, claims, damages, costs, fees and charges, expenses and other liabilities, including reasonable legal and professional fees and disbursements and costs of investigation, litigation, settlement, judgment, interest, penalties and sanctions;

**“LVTS”** means the Large Value Transfer System;

**“MA-CUG”** means Member-Administered Closed User Group, a SWIFT-operated, member-managed service that can use the SWIFT Network;

**“MICR”** means Magnetic Ink Character Recognition;

**“Money Service Business”** and **“MSB”** means the carrying on or participating in any one of the following activities: (i) currency dealing or exchanging; (ii) issuing, selling or redeeming traveller’s cheques, drafts, or money orders or any similar negotiable instruments, except for cheques payable to a named Person; or (iii) the accepting of currency or funds and the transmitting of such funds through a financial institution, or any other Person engaged in an MSB or an electronic funds network; provided that in the case of (i) and (ii) only, no such activity will be considered to be an 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 (iii) above, in every instance that a Person holds a permit or a licence relating to a form of MSB activity not specifically enumerated in (i) to (iii) above or is registered as someone engaging in the activity of an MSB, advertises the activity of an MSB by way of or through the Internet, the yellow pages or other medium, or reports income from an MSB as income from a separate business for tax purposes, then such Person shall be deemed to be operating an 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;

**“NACHA”** means the National Automated Clearing House Association;

**“NACHA Rules”** means the rules, standards, guidelines, and directives of NACHA;

**“Non-Protected Information”** means information which: (i) is or becomes generally available to the public other than as a result of a breach of this Agreement; (ii) was within the possession of a party on a non-confidential basis prior to being provided to it by or on behalf of the other party; (iii) is or becomes available to a party on a non-confidential basis from a source other than the other party or its Representatives, which source, to the best of party’s knowledge, is not prohibited from disclosing such information by a legal, contractual or fiduciary obligation; or (iv) is or was independently developed by a party without the use of the other party’s Confidential Information;

**“OPS”** means other products or services provided by Royal Bank or any other Person, other than the Services;

**“Par Crossed Cheques”** are cheques issued with MICR codes complying with standards set by the American Bankers Association for clearing cheques in the US, and that are drawn in US dollars on the Customer’s US dollar Accounts listed in the applicable Schedule and bearing the information “payable in United States Currency through Royal Bank of Canada, New York Branch, 3 World Financial Center, New York, NY 10281 – 8098”;

**“Person”** means an individual or 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 Regulatory Authority, and pronouns have a similar extended meaning;

“**Private Key**” means the key of a mathematically related key pair used to create a Digital Signature (using a signing Private Key) or decrypt an encrypted message (using a decryption Private Key);

“**Public Body**” means a department or agent of Her Majesty in right of Canada or a province, or a company controlled by Her Majesty in right of Canada or a province, an incorporated city, town, village, metropolitan authority, township, district, county, rural municipality, or other incorporated municipal body or agent of any of them in Canada, an organization that operates a hospital authority and is designated by the Minister of National Revenue (Canada) as a hospital authority under the Excise Tax Act (Canada), or any agent of such an organization;

“**Public Key**” means the key of a mathematically related key pair used to verify a Digital Signature (using a signature verification Public Key) or to encrypt a message (using an encryption Public Key);

“**Publicly Traded Entity**” means an entity whose net assets are greater than Seventy-Five Million Canadian Dollars (CAD \$75,000,000) (current audited statements) and whose shares are publicly traded in a stock exchange recognized in Section 3201 of the Canadian Income Tax Regulations and operates in a country that is a member of the Financial Action Task Force on Money Laundering, or is a directly or indirectly wholly-owned entity of same;

“**RBC New York Branch**” means Royal Bank of Canada, New York Branch, 3 World Financial Center, New York, NY 10281 – 8098;

“**Regulatory Authority**” means any Person having regulatory or supervisory authority over Royal Bank, the Customer, or the Services, including any administrative, judicial, governmental, regulatory, or self-regulatory, taxation, financial, monetary, or investigative authority, agency, or body, including the CPA and SWIFT;

“**Representatives**” mean directors, officers, employees, signing authorities, agents, contractors, subcontractors, service providers, consultants, internal or external auditors, legal or other professional advisors, or other Persons acting on a party’s behalf, including a Person specified in an Authorization Form and the Person’s delegates;

“**Request for Transfer**” means a request for transfer sent using the SWIFT Network, as an MT 101 message type;

“**Restricted Business**” means any Person, or Person owned or controlled directly or indirectly by a Person, that owns, operates, controls or receives revenue from an Internet or online gambling business or operation, a shell bank, 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 discretion, determine to be a restricted business;

“**Royal Bank**” means Royal Bank of Canada;

“**Royal Bank Prime Rate**” means the annual rate of interest Royal Bank announces from time to time as a reference rate for determining interest rates on Canadian dollar commercial loans in Canada;

“**Schedule**” has the meaning given in Section 1.2;

“**SCORE**” means the Standardised Corporate Environment, which enables businesses to use the SWIFT Network;

“**Security Device**” means a security device, including a card, token, code, password, identification number, certificate, test key and other security codes and devices, including a business client identification number, Client Card, or Digital Certificate;

“**Service**” means each of Royal Bank’s business products or services provided to or used by the Customer, including any account, credit, cash management, investment, or payment products or services;

“**Service Materials**” means all hardware, software, equipment, information, or other Documents provided by Royal Bank for the Services, including all Schedules, Security Devices, rules and manuals of operation, guides, training materials, reference materials, or other Documents applicable to the Services;

“**Signing Certificate**” means a certificate that is comprised of a signature verification Public Key that corresponds to a signing Private Key subject to the exclusive access of the Certificate Holder;

“**SWIFT**” means the Society for Worldwide Interbank Financial Telecommunication SCRL;

“**SWIFT Documentation**” means all SWIFT agreements, terms, conditions, standards, orders, directives, guides, and procedures, including the SWIFT General Terms and Conditions;

“**SWIFT Network**” means the computer link system operated by SWIFT;

“**US**” means the United States of America; and

“**US Base Rate**” means the annual rate of interest Royal Bank announces from time to time as a reference rate for determining interest rates on US dollar commercial loans in Canada.



**RBC RIGHT PAY RELOADABLE PAYMENT CARD PROGRAM****DELIVERY AGENT AGREEMENT**

This RBC Right Pay Reloadable Payment Card Program Service Delivery Agent Agreement (“**Agreement**”) dated as of \_\_\_\_\_ (the “**Effective Date**”) between Royal Bank of Canada (the “**Bank**”) and \_\_\_\_\_ (the “**Delivery Agent**” or “**DA**”) is subject to the Master Client Agreement (“**Banking Agreement**”) dated as of \_\_\_\_\_ as amended from time to time, between the Bank and the DA.

Whereas the Bank is in the business of, among other things, issuing payment cards and the DA has requested the Bank to provide such services;

Whereas Her Majesty the Queen in right of Ontario as represented by the Minister of Children, Community and Social Services (the “**Ministry**”) and the Bank entered into a contract for a Reloadable Payment Card Program for Social Assistance effective February 21, 2019 (“**Ministry Contract**”);

Now therefore, in consideration of the premises and the terms and conditions contained herein, the Bank and the DA agree as follows:

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions.** All capitalized terms used in this Agreement without definition have the meanings ascribed to them in the Banking Agreement. In addition, in this Agreement the following terms shall have the meanings set out below:

- (a) “**Activated Card**” means a Prepaid Card (i) where the identity of the Cardholder has, for the purposes of activating the Prepaid Card, been authenticated and confirmed by the Bank after Card Issuance; (ii) is capable of being used by the Cardholder for Transactions, in each case, in accordance with a Cardholder Agreement; (iii) is not expired or declared lost, stolen or damaged; and (iv) is not a Suspended Card or Closed Card;
- (b) “**AML Policy**” means the policy or policies that address Requirements of Law relating to anti-money laundering and terrorist financing in relation to Prepaid Cards, including under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, the regulations issued under such statute from time to time, and any statute, regulation, order, rule, or guideline that amends, supplements, or supersedes any of the foregoing and may include, if applicable, scanning or other screening with respect to Clients or Cardholders;
- (c) “**Appendices**” means all appendices attached to this Agreement, each of which forms a part hereof;
- (d) “**Applicable Visa Rules**” has the meaning set out in section 2.3;
- (e) “**Authority**” means any government authority, agency, body or department, whether federal, provincial or municipal, having or claiming jurisdiction over the Agreement; and

- “Authorities”** means all such authorities, agencies, bodies and departments;
- (f) **“Authorized Instructions”** means instructions given by an DA official who has the authority to give such instructions on behalf of the DA with respect to the Card Services;
- (g) **“Authorized Party”** has the meaning set out in section 14.1;
- (h) **“Available Balance”** means the Card Proceeds that are available to the Cardholder at a given moment in time;
- (i) **“Bank Confidential Information”** means with respect to the Card Services provided pursuant to this Agreement and any Statement of Work, all information, other than Non-protected Information, whether or not identified as confidential at the time of disclosure, relating to the businesses, operations, assets, clients and employees of the Bank or its affiliates, or the business of its suppliers and clients, whether provided by the Bank or its representatives, at any time before or after the Effective Date of this Agreement, including notes, reports, summaries, analyses, compilations, memoranda, studies, interpretations and any other written or electronic materials or information communicated orally, which contain or otherwise reflect the Bank’s Confidential Information. For greater certainty, Bank Confidential Information includes Intellectual Property Rights of the Bank with respect to the Card Services provided pursuant to this Agreement and any Statement of Work, and Personal Information provided by the Bank to the Ministry or DA or both and the fact that discussions or negotiations are taking place concerning this Agreement or with respect to any current or future Program, or any of the terms, conditions or matters then being discussed with respect to this Agreement or any Program, including their status;
- (j) **“Benefits”** means Basic Financial Assistance paid directly to a recipient or other adult member of the benefit unit pursuant to the *Ontario Works Act*;
- (k) **“Card”** or **“Prepaid Card”** means an open-loop, stored value prepaid Visa card issued by the Bank in Canadian currency, bearing the name and Marks of the Bank and Visa-owned Marks, and incorporating the card design, characteristics and functionality outlined in the applicable Statement of Work;
- (l) **“Card Custody and Inventory Guide”** means the RBC Right Pay Program Card Custody and Inventory Guide effective November 19, 2015, as agreed upon in writing by the Parties as of the Effective Date and as may be amended as agreed upon by the Parties from time to time, the current form of which is attached as Appendix I to this Agreement;
- (m) **“Card Issuance”** means the process by which a Prepaid Card becomes an Issued Card;
- (n) **“Card Proceeds”** means the funds or value that are Loaded onto a Prepaid Card;
- (o) **“Card Services”** means the services to be provided by the Bank under this Agreement and any Statement of Work attached hereto with respect to the administration, delivery and program system requirements of one or more Programs and the issuance of Prepaid Cards;

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- (p) **“Cardholder”** means an individual that: (i) is entitled to receive Benefits; (ii) has entered into a Cardholder Agreement; and (iii) has been provided with a Prepaid Card pursuant to a Program;
- (q) **“Cardholder Agreement”** means the agreement between the Bank and a Cardholder setting out the terms and conditions governing the use of the Prepaid Card by the Cardholder;
- (r) **“Cardholder Fees”** means any and all fees that may be levied against a Cardholder by the Bank as set forth in the applicable Statement of Work and in the applicable Cardholder Agreement;
- (s) **“Client”** means an individual who receives Benefits from the DA;
- (t) **“Closed Card”** means a Prepaid Card that has been deactivated by the Bank, and cannot be used again by the Cardholder or reactivated by the Bank;
- (u) **“Collateral Material”** means any printed, electronic, broadcasted, or other material in any form used to define the use of Prepaid Cards by Cardholders or used by the Bank or the DA to communicate with Clients or Cardholders regarding the Prepaid Cards, including the content of any Program specific information developed by the Bank prior to its posting on the Consumer Website, the card carrier, any disclosure statements and any other information provided to the Client when the Card is issued but excluding the Cardholder Agreement;
- (v) **“Consumer Website”** means a Program-specific website where Cardholders can manage the functionalities of their Prepaid Card, as specified in the applicable Statement of Work;
- (w) **“Contingency Plans”** has the meaning set out in section 12.5;
- (x) **“Data Breach”** has the meaning set out in section 9.2(d);
- (y) **“Engagement Manager”** has the meaning set out in section 14.2(a);
- (aa) **“Enrolled”** or **“Enrolment”** means the process used by the DA to accept Clients for inclusion in a Program and includes creating a new Prepaid Card file for each Client containing the Client’s Personal Information, as required by the Bank for Card Issuance;
- (bb) **“Funding Account(s)”** means the Canadian dollar bank accounts in the DA’s name at the Bank from which the DA will disburse funds from time to time for use with one or more Programs, as more particularly described in a Statement of Work;
- (cc) **“including”, “include”** and similar terms shall be deemed to be followed by the words **“without limitation”**;
- (dd) **“Interchange”** means the fees paid by an acquirer to the Bank in the clearing and Settlement of Transactions, as established by Visa from time to time;

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- (ee) **“Issued Card”** means a Prepaid Card issued to a Cardholder who has been Enrolled in the Program but that is not yet an Activated Card;
- (ff) **“Licensor”** has the meaning set out in section 7.1;
- (gg) **“Load”, “Loaded” and “Loading”** means the allocation of funds or value to a Prepaid Card by the Bank from time to time, in each case, as instructed by the DA or another Participating Program;
- (hh) **“Marks”** means the logos, trademarks, official marks and trade names of a Party;
- (ii) **“Non-protected Information”** means information which: (i) is or becomes generally available to the public other than as a result of a breach of this Agreement by the DA; (ii) was within the possession of the DA on a non-confidential basis prior to being provided to it by or on behalf of the Bank; (iii) is or becomes available to the DA on a non-confidential basis from a source other than the Bank or its representatives, which source, to the best of the DA’s knowledge, is not prohibited from disclosing such information by a legal, contractual or fiduciary obligation; or (iv) is or was independently developed by the DA without the use of the Bank’s Confidential Information;
- (jj) **“Participating Program”** means the Ontario Disability Support Program Reloadable Prepaid Card program or an Ontario Works Reloadable Prepaid Card program that is participating in the RBC Right Pay Program.
- (kk) **“Party”** means the Bank or the DA, as the case may be; and **“Parties”** means both of them;
- (ll) **“PIN”** means a personal identification numeric code (currently a four-digit code) that is selected by the Cardholder as part of the activation process following Card Issuance and is used to identify a Cardholder in an authorization request originating at a device with electronic capacity;
- (mm) **“Processing Services”** means those services which are necessary to issue and service a Prepaid Card and process a Prepaid Card Transaction in accordance with Requirements of Law and the Visa Rules;
- (nn) **“Processor”** means the Prepaid Card processor subcontracted by the Bank to provide the Processing Services under this Agreement, including any applicable Statement of Work;
- (oo) **“Program”** means a program for the provision of Benefits to Clients through the use of the Card Services, as set out in further detail in a Statement of Work attached hereto; each Program shall constitute a Deliverable for the purpose of the Banking Agreement;
- (pp) **“Program Manager”** has the meaning set out in section 14.2(b);
- (qq) **“Program Revenues”** means all income derived by the Bank from a Cardholder’s use of a Prepaid Card or participation in a Program, including Cardholder Fees and Interchange revenues generated by or accruing under a Program;
- (rr) **“Representatives”** has the meaning set out in section 9.1(a);
- (ss) **“ Program Requests”** means instructions originating from the Social Assistance Management System (SAMS) and delivered to the Bank via web service call for the

purposes of operating the Program.

- (tt) **“Requirements of Law”** means all applicable requirements, laws, statutes, codes, acts, ordinances, orders, decrees, injunctions, by-laws, rules, regulations, official plans, permits, licences, authorisations, directions, and agreements with all Authorities that now or at any time hereafter may be applicable to either this Agreement or the Statement of Work or any part of them;
- (uu) **“Service Levels”** means, in respect to a Program, the Service Levels as attached to the applicable Statement of Work;
- (vv) **“Settlement”** means the movement and reconciliation of funds between the Bank and Visa in accordance with the Visa Rules in respect of Prepaid Card Transactions;
- (ww) **“Settlement Account”** means the Canadian dollar bank account(s) in the Bank’s name into which the Bank will, at the request of the DA, transfer and deposit Card Proceeds from the Funding Accounts and from which the Bank will undertake Settlement with Visa;
- (xx) **“Statement of Work”** means a statement of work between the Bank and the DA that sets out, among other matters, a description of a Program, in each case attached hereto as an Appendix;
- (yy) **“Suspended Card”** means a Prepaid Card temporarily put into abeyance by the Bank that can no longer be used by the Cardholder for Transactions, in accordance with the Cardholder Agreement, until such Prepaid Card has been reactivated by the Bank;
- (zz) **“Tokens”** means the Personal Information of a Client provided by the DA to the Bank which the Bank uses for various purposes, including to identify and authenticate the identity of a Cardholder for Card Issuance or to activate a Prepaid Card, to provide Cardholder support, and as provided for in a Statement of Work;
- (aaa) **“Transaction”** means a Prepaid Card transaction that is processed through Visa and its members or through the Bank, including (if applicable) purchases, cash withdrawals from ATMs, and card-not-present online and telephone transactions;
- (bbb) **“Unauthorized Use”** has the meaning set out in section 5.12(d)(iii);
- (ccc) **“User”** has the meaning set out in section 7.1;
- (ddd) **“Visa”** means collectively, Visa Inc. and Visa Canada Corporation;
- (eee) **“Visa-Owned Marks”** means the logos, trademarks, and trade names owned by Visa as described in the Visa Product Brand Standards, as such rules or standards are amended or replaced from time to time;
- (fff) **“Visa Plus Network”** is an interbank network that covers all Visa credit, debit and prepaid payment cards as well as ATM cards issued by various banks worldwide; and
- (ggg) **“Visa Rules”** means, collectively, the Visa Core Rules, the Visa Product and Service Rules, the Visa Product Brand Standards, including the Visa Security Standards and the Visa

Security Requirements, and the Visa International Prepaid Program Guidelines, as each may be amended, revised or replaced from time to time.

## **1.2 Structure**

In the event of any conflict or inconsistency between this Agreement, any Statement of Work attached hereto, and the Banking Agreement, with respect to the Card Services, unless expressly stated to the contrary, the following order of priority shall govern: first, this Agreement, second, the Statement of Work and third, the Banking Agreement.

For clarification, the Deliverables include the deliverables under Card Services.

## **ARTICLE 2 PROGRAM**

### **2.1 Purpose**

The purpose of this Agreement is to describe the terms and conditions under which the Parties will implement each Program.

### **2.2 Statement of Work**

Each Program shall be evidenced by a Statement of Work, which shall describe the Program and any additional rights and obligations of the Parties and the DA, including, as applicable:

- (a) Program specific definitions;
- (b) Prepaid Card design, characteristics and functionality including, without limitation, Cardholder access to funds;
- (c) Prepaid Card activation and PIN selection;
- (d) Use of the Prepaid Card, including without limitation, restrictions, if any;
- (e) Cardholder disclosures, including disclosures relating to fees and other important information about the Program;
- (f) Cardholder support requirements including customer service requirements;
- (g) Replacement of lost/stolen or damaged cards including, among other things, (i) the requirements and procedures for the suspension and reinstatement of the Prepaid Card, and (ii) the process and requirements for issuing replacement Prepaid Cards;
- (h) Reissuance of a Prepaid Card at expiry;
- (i) The process for designating a Prepaid Card a Closed Card;

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- (j) Privacy and confidentiality requirements applicable to the Cardholder;
- (k) Training, including the availability of Bank product and application training materials for use by the DA and details regarding any user guides and manuals to be provided by the Bank as required by a Program;
- (l) Program Systems Requirements including:
  - (i) Prepaid Card funding data transfer and management requirements;
  - (ii) Client Enrolment in the Program;
  - (iii) Card issuance requirements and procedures including, if applicable, procedures and requirements for instant Card Issuance, Prepaid Card storage at DA offices and compliance with the Card Custody and Inventory Guide;
  - (iv) Loading and reloading of Card Proceeds including operation of applicable accounts, permitted circumstances and procedures for recalling unprocessed files before Card Proceeds are Loaded and unloading Card Proceeds up to the Available Balance;
  - (v) Profile updates;
  - (vi) Plans for user acceptance testing/integrated testing, penetration testing and service support to be provided by the Bank;
  - (vii) Technology solutions in respect of the Program;
- (m) Accessibility channels available for the Program;
- (n) Future proofing requirements;
- (o) Warranties;
- (p) Program pricing including:
  - (i) Any amounts payable by the DA to the Bank;
  - (ii) Card Services Program fees;
  - (iii) Cardholder Fees and Transaction limits;
- (q) Applicable Service Levels, including impact of Prepaid Card volume forecast reporting;
- (r) Bank reporting requirements;
- (s) Program implementation;
- (t) Use of Marks;
- (u) Data Transfer and management; and

- (v) Details regarding program governance.

### **2.3 Visa Rules**

The Parties acknowledge that the participation of the Bank in a Program is governed by the Visa Rules and that the DA is required to comply with those Visa Rules, including requirements or procedures which are mandated by Visa, applicable to a Program, that the Bank may notify the DA of in writing from time to time (the “**Applicable Visa Rules**”). The Bank confirms that it will notify the Engagement Manager and the Program Manager of any changes or amendments to the Applicable Visa Rules that may occur from time to time and shall provide the DA with an updated copy of the Applicable Visa Rules. The Bank covenants that it will comply with the Visa Rules in carrying out its obligations under this Agreement and any Statement of Work.

### **2.4 Ownership and Control of the Program**

Each of the Parties acknowledges and agrees that:

- (a) the DA determines the eligibility of a Client to receive Benefits and to access Benefits through a Prepaid Card;
- (b) notwithstanding Section 2.4(a) of this Agreement, the Bank may,
  - (i) in accordance with Bank policies and procedures, decline to issue, re-issue or replace a Prepaid Card, including if required pursuant to a Requirement of Law but will, in each case, use best efforts to notify the DA of any such decline as soon as possible; and
  - (ii) in accordance with Bank policies and procedures, decline to process Transactions, including if required pursuant to a Requirement of Law; and
- (c) upon a Client becoming a Cardholder, the Cardholder shall become a “customer” of the Bank as described in the Cardholder Agreement but only for the limited purposes as described in the Cardholder Agreement.

### **2.5 Visa-Owned Marks**

The DA acknowledges and covenants with the Bank that, in the event that a Program uses Visa-Owned Marks:

- (a) Visa International owns the Visa-Owned Marks;
- (b) it will not challenge such ownership or do anything inconsistent with such ownership;
- (c) its license to use the Visa-Owned Marks is governed by the Visa Rules applicable to Visa-Owned Marks, and, with respect to its use of the Visa-Owned Marks, the DA will comply with the terms and conditions of such Applicable Visa Rules as they may be amended or replaced from time to time provided that the Bank provides the DA with notice and copies of, and any amendments to, the Applicable Visa Rules from time to time;



- (d) it will ensure that use of the Visa-Owned Marks will be for the benefit of and on behalf of Visa; and
- (e) Program materials that contain Visa-Owned Marks will only be produced or used for a Program by the DA with the Bank's prior approval and will be provided by the DA to the Bank for disclosure to Visa upon the request by Visa or its Representatives, as appropriate.

## **2.6 Visa-Requirement for Approval**

The Parties acknowledge that Visa may withdraw its consent to a Program if the Bank violates the Visa Rules. The DA agrees to comply with:

- (a) the Card Custody and Inventory Guide; and
- (b) the Applicable Visa Rules.

The Bank agrees to advise the Engagement Manager and the Program Manager promptly of any notice of default received from Visa and the Parties agree to cooperate on any reasonable remedy required by Visa as set out in Section 2.7 of this Agreement.

## **2.7 Violation of Visa Rules**

The Parties acknowledge that if Visa determines that the Bank has violated the Visa Rules or that the DA has violated the Card Custody and Inventory Guide or the Applicable Visa Rules, Visa may:

- (a) require modification of any Program, including suspension of the Program;
- (b) impose fines; or
- (c) terminate the Program with at least 60 calendar days' prior written notice to the Bank.

If Visa provides notice to the Bank that it intends to terminate a Program, the Bank will promptly notify the DA of such notice and the DA will cooperate with the Bank to have the notice of termination withdrawn, but if such termination becomes effective then the Program will automatically terminate on the effective date of such termination and subsections (e), (f) and (g) of Section 13.1 of this Agreement shall apply.

## **ARTICLE 3 DUTIES OF THE DA**

### **3.1 Cardholder Disclosure and Express Consent**

The DA agrees that it will provide any and all disclosures prepared by the Bank and approved by the DA to a Client who is considering receiving Benefits through Prepaid Cards. The DA also agrees that it will obtain the express consent of a Client, in writing or orally, prior to issuing a Prepaid Card, in the manner agreed to between the DA and the Bank as provided for in the Statement of Work.

If a Statement of Work provides that the DA may instantly issue new or replacement Prepaid Cards in

respect of a Program, the DA agrees that a sealed Card Package (as defined in the applicable Statement of Work) will be provided to each Cardholder as instructed by the Bank, in each case, as set out in further detail in the applicable Statement of Work and any applicable Bank training, policies and procedures delivered to the DA.

### **3.2 Training**

The Bank shall assist the DA with appropriate training pursuant to a training program as set out in the applicable Statement of Work which could include, for example, (i) product knowledge, so that DA employees are able to respond to Client and Cardholder inquiries in respect of Prepaid Cards; and (ii) employee protocols with respect to providing Clients and Cardholders with all required disclosures including the Card Package in circumstances where a new or replacement Prepaid Card is instantly issued by the DA. The DA agrees that employees will be trained and instructed in accordance with such training program.

### **3.3**

#### **(a) Volume Forecast**

Each month, commencing on the first month after the effective date of a Statement Of Work, and with respect to each Program, for the purposes of managing Cardholder support services, the DA will provide the Bank, via the Ministry with a rolling monthly Prepaid Card volume forecast for new Card Issuances in a timely manner no later than the fifteenth (15<sup>th</sup>) Business Day of immediately preceding month. The DA acknowledges that failure to provide such card volume forecast may impact Service Levels as set out in the applicable Statement of Work.

- (b) Each month, commencing on the first month after the effective date of a Statement Of Work, and with respect to each Program, for the purposes of managing card stock inventories, the DA will provide the Bank, via the Ministry, with a three month rolling Prepaid Card volume forecast for all Card Issuances (including instant issuance, reissuance and replacement cards) in a timely manner no later than the fifteenth (15<sup>th</sup>) Business Day of the immediately preceding month. The DA acknowledges that failure to provide such card volume forecast may impact Service Levels as set out in the applicable Statement of Work.

## **ARTICLE 4 DUTIES OF THE BANK**

### **4.1 Card Services**

The Bank agrees to provide the Card Services in respect of the Prepaid Cards in accordance with the terms and conditions of this Agreement and the Banking Agreement, including any applicable Statement of Work and Service Levels.

### **4.2 Visa Membership**

The Bank will manage the overall relationship with Visa to ensure Program compliance with the Visa Rules and Settlement of Transactions.

### **4.3 Cardholder Solicitation**

The Bank will not solicit Cardholders, in their capacity as Cardholders, for additional business with the Bank, without the prior express written consent of the DA and the express written consent of the Cardholder; provided, however, that notwithstanding any restrictions in the Banking Agreement, the Bank may solicit any Cardholders who have a contractual relationship with the Bank independent of the Cardholder's participation as a Cardholder in a Program, approach the Bank directly, or are included in a mailing list or marketing campaign that is unrelated to any Program.

### **4.4 Change Management**

- (a) Notwithstanding anything to the contrary in the Banking Agreement, in the event that the Bank determines, upon consultation with its counsel, that Requirements of Law or the Visa Rules require a modification to a Program or to any Card Services contemplated by this Agreement, including a determination that Requirements of Law have been changed or passed in the Province of Ontario or another jurisdiction that prohibit or place restrictions on the distribution of Prepaid Cards in the manner contemplated, then the Bank shall provide the DA with written notice of such determination, and each Party shall cause itself and its agents, vendors, and/or third party service providers to take reasonable steps to avoid violating such Requirements of Law or the Visa Rules, as applicable, which the Parties acknowledge and agree may require suspending the issuance of new Prepaid Cards. For clarity, unless otherwise provided by Requirements of Law, during any Program suspension, the Bank shall (i) continue to Load Prepaid Cards issued to Cardholders prior to any Program suspension until such time that the Program is terminated; and (ii) permit Cardholders to continue to use Prepaid Cards to access Card Proceeds until the Prepaid Card has a zero balance. If a modification is determined to be required, the Parties shall work in good faith to minimize the cost and expense of any efforts with respect to avoiding violating such Requirement of Law or Visa Rules, as applicable, and to negotiate the nature, scope and the costs associated with such required change. The Parties shall use reasonable efforts to implement a mutually desirable project plan as expeditiously as possible. Any such modifications or changes to Card Services shall not be effective until a written amendment reflecting the modification or change has been executed by the Parties. If the Parties cannot minimize the cost or expense of any such efforts to their satisfaction or otherwise agree on a project plan, each Party shall be entitled to terminate the affected Program(s) by providing sixty (60) days' prior written notice. Notwithstanding the foregoing, where Bank and the Ministry agree that a change is required that affects more than one Participating Program, the Bank and Ministry will work in good faith to develop as expeditiously as possible a project plan that applies to applicable Participating Programs.
  
- (b) If a change is required to a Program as a result of a change in Requirements of Law to the *Ontario Works Act, 1997*, passed in the legislature of the province, or to the corresponding regulations under the *Ontario Works Act, 1997*, then any costs associated with implementing the required change in accordance with this Section 4.4(a) shall be at the DA's own cost.

**ARTICLE 5  
CARDS**

**5.1 Owner and Issuer of Prepaid Card**

The Prepaid Card shall clearly disclose the Bank is issuing and is the owner of the Prepaid Card, and it must be clear from the design of the Prepaid Card that the Prepaid Card is issued by the Bank and not by the DA. It must also be clear from the design of the Prepaid Card that it is not issued in respect of a Benefit.

**5.2 Design of Prepaid Card**

Each Prepaid Card design must comply with the requirements specified in the Visa Rules and it will be the responsibility of the Bank to ensure that all designs used on the Prepaid Cards remain in compliance with the Visa Rules. Each Prepaid Card design shall be agreed to by the Ministry and the Bank. Notwithstanding anything to the contrary in the Banking Agreement, any such agreed upon Prepaid Card design may be changed by the Bank at any time in its sole discretion if a change is required in order to comply with the Visa Rules, Requirements of Law, or any other reason, provided that the Bank agrees to give reasonable notice, if possible, to the Engagement Manager and Program Manager of such change. The DA acknowledges and agrees that the Bank owns all Intellectual Property Rights in respect of the Prepaid Cards and that the Bank shall have the right to use, in its sole discretion, cards similar or identical to any Prepaid Card in connection with services provided by the Bank other than pursuant to a Program.

**5.3 Card Programs**

- (a) The Parties agree that the Prepaid Cards in respect of a Program are only to be used as described in the applicable Statement of Work.
- (b) Each Program shall comply with Requirements of Law.
- (c) The Bank shall ensure that for the purposes of providing Processing Services, the Processor shall maintain its information security policy in compliance with the Requirements of Law, as amended, and the Payment Card Industry Data Security Standard (PCI DSS) in effect from time to time, or such other industry standards as may be applicable from time to time.
- (d) The Bank agrees that the Prepaid Cards and all Cardholder Fees charged in connection therewith must be compliant with Requirements of Law.
- (e) If a Program includes instant issuance of Prepaid Cards, for any and all Prepaid Cards that are maintained in the DA's possession or control, the DA shall comply with the Card Custody and Inventory Guide. The Bank agrees to notify the Engagement Manager and the Program Manager of any changes or amendments to Appendix I that may be required from time to time and agrees to provide an updated copy of Appendix I to be attached to this Agreement to the DA.

**5.4 Prepaid Card Funding**

- (a) To provide Benefits to one or more Cardholders, the DA shall provide a request to the Bank (each a “**Request**”), requesting the Bank to Load/reload funds to Prepaid Cards in the amount specified and once completed have the equivalent funds deducted from the designated Funding Account and transferred to the Settlement Account. Each Request shall be made in the form and/or manner specified in the applicable Statement of Work. The DA shall ensure that the Funding Account has sufficient funds to fund each Request.
- (b) Prepaid Cards may only receive Card Proceeds from the DA or other Participating Programs, in accordance with the applicable Statement of Work, and will not have the capability to receive Card Proceeds from any other sources, including Cardholders.

#### **5.5 Handling of Card Proceeds and Settlement of Account Funds**

It is understood that, once Loaded, the Card Proceeds are available for use by the Cardholder and, subject to the Cardholder Agreement, become an enforceable obligation of the Bank to settle Transactions made by the various Cardholders. Card Proceeds contained in the Settlement Account shall not earn any interest.

#### **5.6 Termination of Cardholder Participation in Program.**

In the event that the DA is advised or becomes aware that a Cardholder desires to terminate his or her participation in a Program, the DA agrees to immediately cease submitting Requests in respect of such Cardholder.

#### **5.7 Recall of Funds**

In the event that the DA determines that a Request includes an error which would result in an incorrect transfer of funds being deposited into the Settlement Account, the Bank shall reverse such error in accordance with cut-off times as provided for in the Statement of Work provided such funds have not been Loaded onto a Cardholder’s Prepaid Card.

#### **5.8 Recall Functionality**

[Where provided for in a Statement of Work,] the Bank will make available a web-based program management application interface to allow the DA to access the Prepaid Card database to recall records within cut off times that will be outlined in the Service Levels.

#### **5.9 Unloading of Funds**

- (a) The DA may request that the Bank unload Card Proceeds up to the Available Balance only under exceptional circumstances, as provided for in the Statement of Work. The Cardholder Agreement shall set out the Bank’s authority to unload Card Proceeds as instructed by the DA.

- (b) Each request made by the DA to the Bank under the circumstances set out in Section 5.7 above, Section 5.9(a) above, or in this Section 5.9(b) and the applicable Statement of Work must comply with the Authorized Instruction provisions agreed to by the Parties, including as set out in the applicable Statement of Work and must specify whether or not the Card will become a Closed Card.
- (c) The Bank shall not be responsible for any Card Proceeds up to the Available Balance used prior to any Card Proceeds being unloaded by the Bank or for any Card Proceeds unloaded by another Participating Program and the Bank shall not reverse any processed Transaction. In all cases, only the Available Balance on a Card may be unloaded such that the Card will not be put into a negative balance position. Except as otherwise specified in any Statement of Work, any unloaded Available Balance shall be deposited by the Bank into the Funding Account from which it was disbursed for further action by the DA.

**5.10 Card Suspension**

- (a) The Bank shall have the right to change a Prepaid Card's status from Activated Card to Suspended Card, provided that the Bank acts reasonably, including in accordance with Requirements of Law and the Visa Rules. In the event a Prepaid Card is suspended by the Bank, the Bank shall have no obligation to make any Card Proceeds available to the Cardholder during the suspension period until a replacement Prepaid Card is issued to the Cardholder. Upon changing a Prepaid Card's status to Suspended Card, the Bank will immediately initiate an investigation and will determine, through an internal process based on the Bank's policies and procedures, whether to lift the suspension, issue the Cardholder a replacement Prepaid Card or change the Prepaid Card's status from Suspended Card to Closed Card.
- (b) The Bank shall immediately change a Prepaid Card status from Activated Card to Suspended Card when a Cardholder reports their Prepaid Card as lost, stolen or damaged to the Bank. In the event a Prepaid Card is suspended by the Bank, the Bank shall have no obligation to make any Card Proceeds available to the Cardholder during the suspension period until a replacement Prepaid Card is issued to the Cardholder. After the issuance of a replacement Prepaid Card, the Prepaid Card that was reported lost, stolen or damaged will no longer function in any manner, all Cardholder fees associated with such Prepaid Card will cease and the status of the Prepaid Card will be changed from Suspended Card to Closed Card by the Bank.
- (c) A Prepaid Card's status will also be immediately changed from Activated Card to Suspended Card when the Prepaid Card is suspended by the Cardholder using the Consumer Website or by contacting customer support. In the event the Prepaid Card status is changed from Activated Card to Suspended Card by the Cardholder, the Prepaid Card cannot be used for Transactions until the suspension is lifted. A Prepaid Card suspended by a Cardholder can be reinstated by the Cardholder using the Consumer Website or by contacting customer support provided that the Prepaid Card has not been declared lost, stolen or damaged by the Cardholder.



**5.11 Card Termination**

- (a) The Bank shall have the right to change a Prepaid Card's status from Activated Card to Closed Card, provided that the Bank acts reasonably, including in accordance with Cardholder Agreement, Requirements of Law and the Visa Rules. In the event that there are Card Proceeds remaining on a Prepaid Card at the time the Bank decides to change the Prepaid Card status from Activated Card to Closed Card, the Bank will make arrangements to disburse such Card Proceeds as set out in the applicable Statement of Work.
- (b) In the event the DA terminates a Cardholder's Benefits, the Cardholder shall be able to use their Prepaid Card to access Card Proceeds until the Prepaid Card meets the criteria to become a Closed Card as provided for in a Statement of Work.
- (c) In the event the DA determines that a Cardholder is not a Client who is eligible to receive Benefits or Card Proceeds, to the extent there are Card Proceeds remaining on the Prepaid Card at the time of that determination, the Bank will make arrangements to send such Card Proceeds to the DA and will immediately thereafter change the Prepaid Card's status from Activated Card to Closed Card.
- (d) The DA may provide Authorized Instructions to the Bank to change a Prepaid Card's status from Activated Card to Closed Card. In the event that there are Card Proceeds remaining on the Prepaid Card at that time, the DA may request that such Card Proceeds be unloaded and returned to the DA, in accordance with the procedures for unloading as set out Section 5.9 above.
- (e) Upon the DA becoming aware of the death of a Cardholder, the DA shall promptly notify the Bank of such death through Authorized Instructions. If the Bank receives notice of the death of a Cardholder from someone other than the DA, the Bank shall promptly notify the DA of such notice. After such notification, and upon receipt of confirmation of death of a Cardholder from the DA, the Bank shall suspend the Card and except as provided for herein, the Bank shall not be liable for making any subsequent payments to a Cardholder or his or her dependents, heirs, representatives or estate. Any such payments shall be made directly by the DA to the Client(s). Upon confirmation from the DA of the death of a Cardholder, any Available Balance on the deceased Cardholder's Card will be unloaded in accordance with Section 5.9 and the Prepaid Card status will be changed to a Closed Card. The Bank will have no involvement with the Cardholder's estate.

**5.12 Prepaid Card Fraud**

- (a) The Bank will provide industry specific fraud management systems within the Program and provide ongoing fraud monitoring, which monitoring shall reflect updated information based on available data on new fraud patterns.
- (b) Fraud monitoring reporting occurs internally within the Bank as part of the ongoing efforts to minimize risk and fraud opportunities. Fraud monitoring reporting is not typically shared with customers of the Bank, however, fraud case reporting may be available at some level should the DA require it and as agreed to by the Bank. In order

to minimize fraud in respect of the Program, the Bank agrees to discuss such reports with the DA, as applicable, subject to Requirements of Law.

- (c) All Cards within the Program will have protection in case of fraud with the exception of losses arising from circumstances where the Cardholder has shared their PIN and Cardholder information with another party. Cardholders are liable for such losses.
- (d) Card Proceeds will be protected as outlined in the Cardholder Agreement. More specifically, a Cardholder is not liable for, and will be reimbursed by the Bank, for charges to the Card as a result of fraudulent or unauthorized use of the Card, Card number or PIN, as long as the Cardholder meets the following three conditions, each as set out in the Cardholder Agreement:
  - (i) The Cardholder is able to establish to the Bank's reasonable satisfaction that he/she has taken reasonable steps to protect the Card against loss or theft and to safeguard the PIN and other security codes such as CVV or Verified by Visa, in the manner set out in the Cardholder Agreement;
  - (ii) The Cardholder cooperates fully with the Bank's investigation; and
  - (iii) The Cardholder did not contribute to the Unauthorized Use of the Card in any way, such as voluntarily revealing the PIN or other security codes to anyone else. For the purposes of this section "**Unauthorized Use**" means use by a person other than a Cardholder, who does not have actual, implied or apparent authority for such use, and from which the Cardholder does not receive any benefit.
- (e) The DA shall not be responsible for any loss caused by or resulting from any Cardholders' fraud, misuse, or negative balance Transactions involving the Prepaid Cards except to the extent such loss was caused by the DA's breach of a representation, warranty, or covenant of this Agreement, including any Statement of Work, or if the DA (or any of its Representatives) participated in or had knowledge of any deceptive, fraudulent or other illegal activity. The DA agrees to comply with all reasonable requests made by the Bank in the Bank's efforts to investigate, prevent and recover amounts due to the Bank relating to any actual loss, or suspected fraud, or other improper use of any Prepaid Card.

## ARTICLE 6

### COLLATERAL MATERIAL AND COMMUNICATION

#### 6.1 Preparation of Collateral Material and Cardholder Agreement

The Bank shall be responsible for the development and preparation of Collateral Material and the Cardholder Agreement in respect of each Program. The Bank will be responsible for ensuring all Collateral Material and the Cardholder Agreement complies with Requirements of Law and the Visa Rules. The Bank shall notify the Engagement Manager and the Program Manager of any amendments to the Collateral Material or Cardholder Agreement made during

the term of a Program. Notwithstanding the foregoing, except to the extent required to comply with the Requirements of Law or the Visa Rules, Cardholder Fees incorporated into the Cardholder Agreement may not be increased without the prior written consent of the Ministry. Where the Requirements of Law or the Visa Rules provide for a decrease in Cardholder Fees, any such amendments to the Cardholder Agreement do not require the prior written consent of the Ministry.

## **6.2 Requirements for Collateral Material**

The Parties agree that any Collateral Material will make clear that the Prepaid Cards are issued by the Bank and not the DA and that all Collateral Material:

- (a) will clearly disclose the corporate name or trade name of the Bank as the owner and the issuer of the Prepaid Card;
- (b) will not state or imply that the Prepaid Card is owned or issued by the DA; and
- (c) will not state or imply that the Prepaid Card is accepted only by a particular merchant or class of merchants except for certain categories of merchants agreed upon between the Parties.

## **6.3 Benefit Application Form**

The DA shall ensure that Benefit application forms do not reference the Program and shall not contain any Visa-owned Marks or Bank Marks.

## **6.4 Promotional and Informational Materials**

The DA agrees that any materials that are not Collateral Materials or the Cardholder Agreement, which may be created or distributed by the DA with respect to a Program, including, but not limited to, any posters, handouts or informational pamphlets intended to promote a Program or Prepaid Card or to provide information to Cardholders or Clients about a Program or Prepaid Card shall not contain any Visa-owned Marks or Bank Marks without the prior written consent of the Bank.

# **ARTICLE 7 INTELLECTUAL PROPERTY**

## **7.1 Use of Marks**

Neither Party (the “User”) will use the Marks of the other Party for any purpose without the prior written consent of such Party as provided on the applicable Statement of Work, as the case may be (the “Licensor”).

## **7.2 Appearance**

Where a Statement of Work permits Users to use Marks:

- (a) The Marks shall be used by the User in conformity with the form, font, typeface and colors and other trademark usage specifications of the Licensor as they exist and are communicated to the User from time to time, and except as to the size of reproduction, the Marks shall not be altered in any way. In particular, the User will not place the Licensor's Marks in such proximity to other trademarks, trade names or corporate logos as to give the impression that a new or combined mark has been created as the result of such proximity.
- (b) Unless not required by the Licensor, each use of the Marks shall clearly display a trademark symbol and if commercially reasonable, the User shall use a mutually agreed upon legend in connection with its use of the Marks, as follows:
  - (i) In the case of the DA's use of Bank Marks: RBC and Royal Bank are trademarks of Royal Bank of Canada, used under license; and
  - (ii) In the case of the Bank's use of the DA Marks, the trademark symbol to be used shall be the "‡" symbol and the legend to be used shall be "All other trademarks are the property of their respective owner(s)".

### **7.3 Cease to Use Marks**

Upon termination of this Agreement or a Program, the Parties will use commercially reasonable efforts to immediately cease to display the Marks of the other Party with respect to any terminated Statement of Work.

### **7.4 Ownership**

For the purpose of this Agreement, the Parties agree that all Intellectual Property and Intellectual Property Rights and any other right, title and interest in and to all concepts, techniques, ideas, information and materials, however recorded (including images and data), including Intellectual Property Rights in and to the Deliverables, provided by the Bank to the DA under this Agreement, shall remain the sole property of the Bank. For greater certainty, this includes any and all rights, title and interest, including Intellectual Property Rights, in and to the Deliverables under a Program and to the Bank Marks or other Bank Intellectual Property used, with consent, in materials developed by the DA under Section 6.4 of this Agreement.

## **ARTICLE 8 ACKNOWLEDGEMENT**

### **8.1 Acknowledgement by the DA**

The DA hereby acknowledges as follows:

- (a) the Bank's involvement with a Program is to provide the Deliverables with respect to the Prepaid Cards, and in connection therewith, except as provided in Section 2.4(b) of this Agreement, the Bank is acting solely as the issuer named on the Prepaid Cards and is not involved in any way in determining eligibility for Enrolment in a Program; and
- (b) except as expressly provided for herein, neither the DA nor any of its Representatives

has acted or is acting as the Bank's agent and none of them has any right or power to bind the Bank or make any representation or warranty on the Bank's behalf.

**ARTICLE 9  
CONFIDENTIALITY; DATA BREACH**

**9.1 Confidential Information**

- (a) The DA will use Bank Confidential Information only for the purposes of fulfilling its obligations under this Agreement, and will ensure that the Bank Confidential Information is not disclosed to any person except: (i) DA officials who can give Authorized Instructions, DA's local municipal council, and their advisors, staff, contractors and subcontractors; the DA's officers, employees, signing authorities; and, agents, contractors, subcontractors, service providers, consultants, internal or external auditors, legal or other professional advisors of the DA and their directors, officers, employees and signing authorities (collectively, the "**Representatives**") and the Ministry who need to know such Bank Confidential Information in connection with administering a Program, provided that such Representatives and the Ministry are informed of the confidential nature of such Bank Confidential Information and agree to treat same in accordance with terms substantially the same as in this Agreement; (ii) to the extent legally required by statute or by order of a Court or tribunal, provided that, if not legally prohibited, the DA will notify the Bank in writing prior to any such disclosure; (iii) in accordance with this Agreement; or (iv) as otherwise agreed to in writing by the Bank.
- (b) The DA shall follow policies and procedures of a standard no less than it follows with its own confidential information to protect the security, integrity and confidentiality of the Bank Confidential Information against any anticipated threats or hazards or unauthorized access to or use or disclosure of the Confidential Information.
- (c) Upon the Bank's written request or at the discretion of the DA, the DA will use reasonable efforts, in compliance with the Requirements of Law, to destroy the Bank Confidential Information in the DA's control or possession, provided that the DA will be permitted to retain such copies of: (i) the Confidential Information as required by Requirements of Law; and (ii) any computer files containing any Bank Confidential Information which have been created pursuant to the DA's automatic archiving or backup procedures, which will remain subject to a continuing obligation of confidentiality.
- (d) In the event that the DA becomes compelled, including by (i) order for production of documents, subpoena, or similar demand by any Authority or court of competent jurisdiction, (ii) order of any stock exchange (except routine supervisory examinations), or (iii) other legal requirement, to disclose any of the Bank Confidential Information, the DA shall provide the Bank, if not legally prohibited, in advance of such disclosure, with:
  - (a) prompt written notice allowing the Bank sufficient time to seek a protective order declaratory order, or other appropriate remedy; (b) a copy of any Bank Confidential Information the DA intends to disclose; and (c) a copy of the request for disclosure. In the event that a declaratory order, protective order or other remedy is not obtained, or the Bank agrees to the disclosure of the Confidential Information, the DA agrees to

exercise reasonable efforts to disclose only that portion of the Bank Confidential Information which is legally required to be disclosed.

- (e) The DA acknowledges that a breach of any provision of this Section 9.1 may cause irreparable harm to the Bank or to any third party to whom the Bank owes a duty of confidentiality and that injury to the Bank or to any third party may be difficult to calculate and inadequately compensate in damages. The DA agrees that the Bank is entitled to seek declaratory relief (without proving any damage sustained by it or by any third-party) and to seek any other remedy against any actual or potential breach of this Section 9.1.

## **9.2 Data Breach Client Personal Information and Bank Records**

- (a) The Client Personal Information to be disclosed will be identified on the applicable Statement of Work. The Bank's administration of the Card Services includes the use of Tokens. Only Tokens approved by the Bank will be available for use within the Program.
- (b) The DA acknowledges that in order for Cardholders to use the Visa Plus Network and to receive comprehensive Cardholder support pursuant to a Program, data associated to the Cards will be processed at Visa data centres located across North America. For greater certainty, access to Client Personal Information will only be provided by the Bank to third parties that are providing support to the Bank for administration of the Program, including the Bank's Processor and Cardholder support personnel.
- (c) Bank records related to a Program stored and maintained by the Bank will reside exclusively in Canada, except that any records related to a Program that are stored and maintained by the Bank's Processor will be located in North America.
- (d) Each Party shall promptly, and in any event within a reasonable time of becoming aware of such incident, inform the other Party of any form of theft, fraud, data breach, data security compromise, breach of privacy or security of, Client Personal Information disclosed to the Bank or the Cardholder Personal Information (collectively, a "**Data Breach**"). For greater certainty, the Bank shall, upon becoming aware of a breach, promptly inform the DA of a Data Breach occurring at any third-party providing services to the Bank in relation to a Program, including without limitation, any Data Breach involving its Processor. In the event of a Data Breach, the Party that is subject to the Data Breach shall, subject to the Requirements of Law; provide information as may be reasonably requested by the other Party and both Parties shall reasonably cooperate with one another with respect to any actual or threatened impact such Data Breach has or may have on any or all Programs.

## **ARTICLE 10 COMPENSATION AND EXPENSES**

### **10.1 Fees and Compensation**

- (a) The Bank shall calculate and invoice the DA, for the Program fees set forth in and in accordance with each Statement of Work attached hereto.



- (b) Any amounts payable with respect to a Program, other than the Program fees provided for in Section 10.1(a) hereof, shall be calculated, invoiced and payable as provided for in the applicable Statement of Work.
- (c) The Bank shall be entitled to any and all Program Revenue generated in respect of a Program.

## **10.2 Taxes**

All fees and other amounts payable by the DA, under this Agreement or any Statement of Work are exclusive of all taxes, duties, levies, or charges of any kind imposed by any federal or provincial or local government entity, including HST/GST.

## **10.3 Expenses of the Bank**

The Bank will be solely responsible for the following expenses for all Programs:

- (a) membership fees related to the Bank's own membership in Visa;
- (b) any fine or penalty assessed by any Authority or Visa to the extent such fine or penalty is levied due to the Bank's actions, inactions or omissions including, any fines or penalties imposed by Visa on the Bank for any non-compliance by the DA with the Visa Rules which resulted from the Bank's failure to make the DA aware of the Applicable Visa Rules; and
- (c) any other expenses in respect of any Program that it has agreed to pay that may be outlined in this Agreement and any applicable Statement of Work.

## **10.4 Expenses of the DA**

In addition to the fees payable pursuant to Section 10.1(a) of this Agreement, the DA will be solely responsible for the following expenses for all Programs:

- (a) any fine or penalty assessed by any Authority or Visa and imposed on the Bank and paid by the Bank to the extent due solely to the DA's actions, inactions, or omissions with respect to the performance of its obligations under this Agreement including, without limitation, any fine or penalty assessed by Visa and imposed and paid by the Bank for any non-compliance by the DA with the Card Custody and Inventory Guide or the Applicable Visa Rules; and
- (b) the DA's own costs and overhead generated from its participation in the Programs and any and all expenses associated with the performance of its obligations or for which it is responsible in accordance with the terms of this Agreement and as set out in any applicable Statement of Work.

**ARTICLE 11**  
**REGULATORY INVESTIGATIONS OR VISA INVESTIGATIONS**

**11.1 Regulatory Investigations or Visa Investigations**

- (a) Subject to the Requirements of Law, in the event of a regulatory investigation conducted on the Bank by any Authority or an investigation of the Bank by Visa or, on Visa or any Authority's reasonable request to the Bank to obtain information from the Bank in respect of the Program, the DA agrees to share information and cooperate with the Bank, including providing all relevant documents and information directly to an Authority or Visa on request by such Authority or Visa, subject to such Authority or Visa agreeing to execute appropriate confidentiality documentation in form and content satisfactory to the DA.
- (b) In addition to the foregoing, the Bank shall be entitled to request and obtain information from the DA in order to confirm the DA's compliance with its duties and obligations under this Agreement or any Statement of Work, including, but not limited to, providing required disclosures to Clients as instructed by the Bank from time to time.

**ARTICLE 12**  
**COMPLIANCE**

**12.1 Anti-Money Laundering Compliance and Sanctions**

- (a) The DA acknowledges and agrees that the Bank is not responsible for scanning or other screening with respect to Clients or Cardholders relating to anti-money laundering and terrorist financing in relation to Prepaid Cards, including under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, the regulations issued under such statute from time to time, and any statute, regulation, order, rule, or guideline that amends, supplements, or supersedes any of the foregoing and may include, if applicable. The DA is responsible for implementing an AML Policy, if any is required, to the screening of Clients and Cardholders.
- (b) The DA shall comply with all reasonable requests for information from the Bank concerning anti money laundering matters.

**12.2 Intentionally deleted.**

**12.3 Reports**

- (a) The Parties agree that reports relating to Prepaid Card Transaction processing will be provided to the Bank by its Processor whose records shall constitute the database of record for such Transactions. The DA shall not have access to, or be provided with, copies of such reports.
- (b) The Bank shall provide the DA with access to information related to Program metrics and performance, including aggregate Cardholder activities through the following means:

- (i) Self Service Reporting: The Bank's Program Administration Tool ("**PAT**") and Program Management Application ("**PMA**") provide self-service on demand reporting to DA staff who are Authorized Parties for the purposes of a Program. Pre-configured reports sorted by function may be requested by date range and can be exported in a variety of file formats; and
- (ii) Regular Program Reporting: The bank will provide pre-configured program reporting that includes specific information on performance and activity.
- (c) DA acknowledges and agrees that the Bank may provide to the Ministry, at the Ministry's request, data and information regarding DA access to and participation in the Program with the Bank.

#### **12.4 General**

Each Party covenants and agrees as follows:

- (a) It will comply with all Requirements of Law that relate to their respective duties and obligations pursuant to this Agreement.
- (b) All Cardholder complaints received by DA from an Authority or any other person relating to the Prepaid Card or its use will be promptly reported by the DA to the Bank. To the extent such information is readily available, such report shall include the name and address of the complaining Cardholder and a brief summary of the Cardholder's complaint.
- (c) In the event that either Party becomes aware of any litigation or court proceedings filed against the other Party relating to a Prepaid Card or its use, each Party agrees to promptly report such litigation to the other Party.

#### **12.5 Contingency Plans and Disaster Recovery**

Each Party will establish and have in place business continuity, disaster recovery plans and procedures intended to ensure continuation of its duties and obligations under this Agreement in the event of problems affecting its operation, including systems breakdown, natural disaster and other adverse events, temporary or permanent, where it fails to continue to perform its duties and obligations under this Agreement ("**Contingency Plans**"). The Contingency Plans and associated backup systems will be commensurate with the risk of a service disruption and will provide for provision to the other Party of all records necessary to allow it to sustain business operations. Each Party will notify the other Party regarding any significant changes to its Contingency Plans or when it encounters other circumstances that may have a serious impact on the information or data processed and maintained by it for the Programs. Each Party will regularly and no less than once per calendar year, test such Contingency Plans and notify the other Party regarding the results of such tests (including providing to such other Party a copy of its disaster recovery service provider's test simulation results with respect to the processing of relevant records or information or an attestation that the test simulation has been completed successfully).

**ARTICLE 13**  
**TERM AND TERMINATION**

**13.1 Term and Termination**

- (a) This Agreement is made effective as of the Effective Date and shall continue in full force and effect from the Effective Date until **September 9<sup>th</sup> 2024**, unless terminated in accordance with its terms or renewed in accordance with the Banking Agreement. In the event that the Banking Agreement or Ministry Contract has terminated prior to the expiry or termination of this Agreement, this Agreement shall also terminate unless otherwise agreed upon by the Parties in writing.
- (b) In addition to the termination rights provided for in the Banking Agreement, either Party shall be entitled to immediately terminate any or all Programs established pursuant to this Agreement if:
  - (i) with respect to a Program or Programs, the other Party is in material breach of its obligations relating to such Program(s) and fails to remedy such breach within 30 days, or such other time as agreed upon in writing by the Parties, after the non-breaching Party has demanded in writing that such breach be cured;
  - (ii) an event of fraud in respect of a Program is committed by the other Party or an employee of such other Party; or
  - (iii) a Party provides notice in accordance with Section 4.4(a) of this Agreement.
- (c) Either Party may terminate any Program or this Agreement at any time and for any or no reason by providing the other Party with one hundred and eighty (180) days' written notice.
- (d) For clarity, if a Program is terminated, this Agreement and any remaining Programs not terminated will remain in full force and effect.
- (e) With respect to existing Prepaid Cards under any terminated Program, the Parties shall continue to cooperate and perform their respective obligations under this Agreement in respect of all such Prepaid Cards until the balance on such Cards is zero. All unused inventory of Prepaid Cards in the custody of the DA, if applicable, shall be destroyed or returned to the Bank as the Bank may advise.
- (f) The DA shall continue to pay for Card Services provided by the Bank under Section 13(e) above, at the rates set out in the applicable Statement of Work. If this Agreement or any Program is terminated by the Bank due to a breach by the DA of an obligation to make an undisputed payment to the Bank, the Bank shall not be required to provide the Card Services until the DA, as applicable, pays the Bank all amounts due and payable. Notwithstanding the foregoing, and except as otherwise set out in this Agreement or any Statement of Work, the Bank shall permit Cardholders to use the Prepaid Cards to access Card Proceeds until the Prepaid Cards have a zero balance, irrespective of whether this Agreement or any Program is terminated by the Bank.

- (g) In the event of any termination, regardless of the cause, the Parties acknowledge that the Bank remains liable to Visa in connection with any issued Prepaid Cards which are valid, and therefore, notwithstanding any other provision hereof, the Bank shall have the right to require the DA to perform its obligations hereunder with respect to previously issued Prepaid Cards as long as any Prepaid Cards bearing the Bank's name remain active.

## **ARTICLE 14 GOVERNANCE**

### **14.1 Authorized Parties**

For the purposes of the Card Services as provided pursuant to this Agreement and any Statement of Work, the DA shall furnish the Bank with a list identifying those individuals in the DA who have been authorized to direct the Bank and otherwise act on behalf of the DA with respect to the applicable Program. The list shall show each individual's name, position, signature and scope of authority. Each individual so identified is an "**Authorized Party**" for the purposes of a Program.

### **14.2 Governance**

- (a) Each Party will make available throughout the term of the Agreement an individual (the "**Engagement Manager**") who will act as the other Party's single point of contact, and who is responsible for coordinating, overseeing and ensuring the timely performance of such Party's obligations set out in this Agreement and for liaising with the other Party's Engagement Manager. Each Engagement Manager will be an individual mutually agreed to by the Parties. The Engagement Managers shall meet regularly as required but in any event no less than at least once each calendar quarter.
- (b) In addition, with respect to each Program, each Party will make available an individual (the "**Program Manager**") who will act as the other Party's single point of contact for such Program, and who is responsible for coordinating, overseeing and ensuring the timely performance by such Party's obligations with respect to the applicable Program. Each Party's Program Manager is responsible for liaising with the other Party's Program Manager with respect to matters including, but not limited to, operational support, administrative support, issue resolution, issue tracking, urgent issues related to Program fraud, and scheduled and ad-hoc Program reviews. Each Program Manager will be an individual mutually agreed to by the Parties. Each Program Manager will be available during regular business hours with backup support as required. The Program Managers shall meet regularly as required but in any event no less than quarterly.
- (c) In respect of each Program, the Parties agree that they shall meet twelve (12) months after the commencement of each Program and every twelve (12) months thereafter to discuss and review:
  - (i) reporting of key trends and patterns related to the Program;
  - (ii) information about new technology and technology enhancements;

Schedule 2

- (iii) the Program and to consider what, if any, modifications or adjustments should be made to the Program going forward so as to properly reflect the Parties expectations; and
- (iv) review the Bank's performance of Card Services as measured in Service Levels reports.

**ARTICLE 15  
ACCESSIBILITY**

**15.1 Accessibility**

The Bank's delivery of the Card Services shall at a minimum comply with all applicable accessibility specifications as set out in the applicable Statement of Work.

***[Signature Page Follows]***



Schedule 2

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

**ROYAL BANK OF CANADA**

Per: \_\_\_\_\_

Name:

Title:

Per: \_\_\_\_\_

Name:

Title:

**[SERVICE DELIVERY AGENT]**

Per: \_\_\_\_\_

Name:

Title:

Per: \_\_\_\_\_

Name:

Title:

Schedule 2



# **RBC Right Pay Program**

## **Card Custody and Inventory Guide**

**Effective November 19 2015**

Document Version 0.4

## ***Card Custody and Inventory Guide***

### **Purpose:**

Standard guidelines for RBC Right Pay Clients on Prepaid card custody and inventory maintenance.

### **Intended Audience:**

RBC Right Pay Client Program Administrator, RBC Right Pay Program Manager.

### **Standard guidelines:**

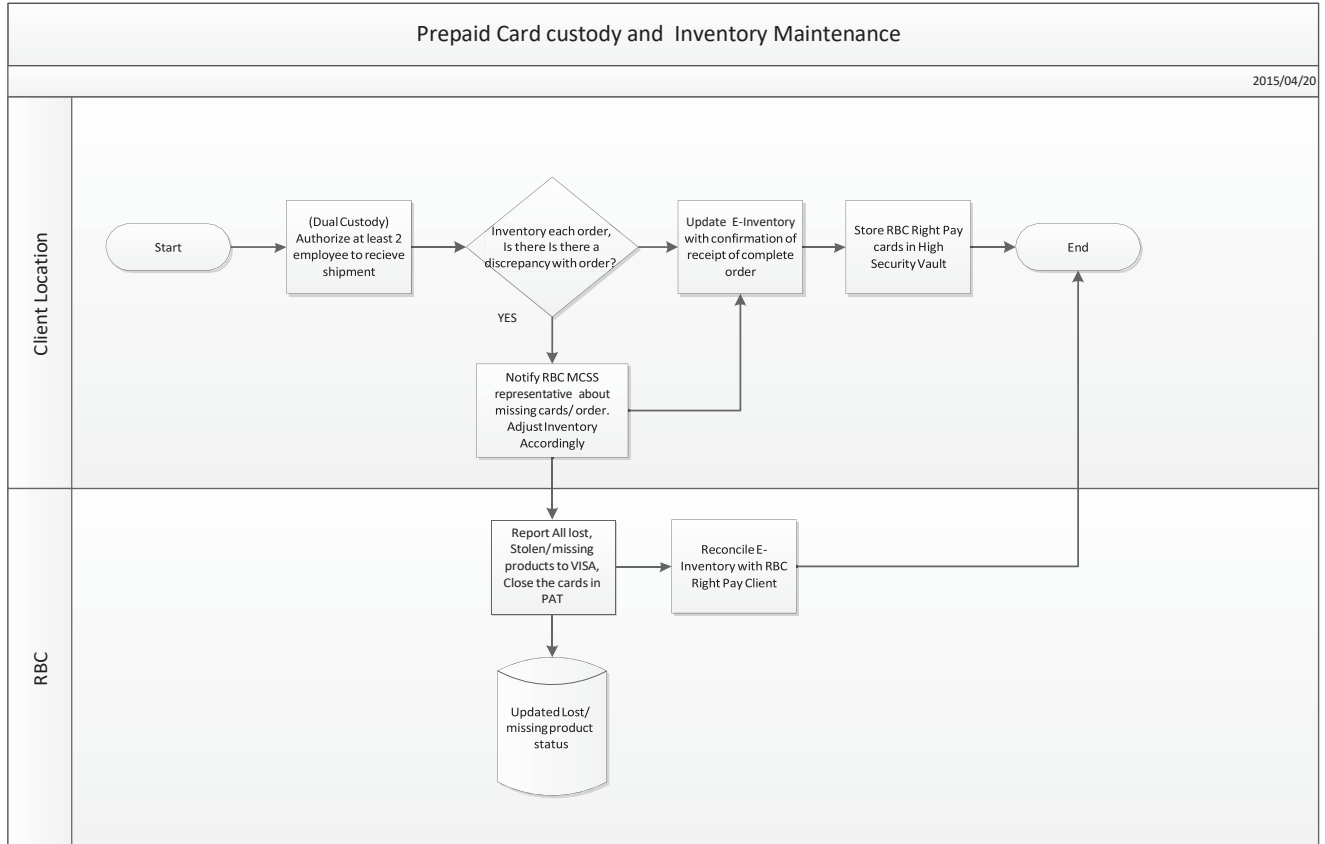
RBC Right Pay Clients must follow the guidelines below:

- Authorize at least 2 employees (Dual Custody) to take the shipment to a secured lockable storage area and complete the following inventory management activities:

Inventory the entire product shipment to determine if any RBC Right Pay card products (packages) are missing by:

- Confirming the number of card packages received matches the total number listed on the packing slip.
  - Conducting a random review, of at least 10% of the total shipment, to ensure that the proxy ID visible through the window of the envelope match the proxy ID on the packing slip.
- The envelopes in the box will be in the same order as the list on the packing slip i.e. the first Proxy ID on the packing slip should correspond to the first envelope at the front of the box.
  - Notify your RBC Right Pay Program Manager ([rightpaysupport@rbc.com](mailto:rightpaysupport@rbc.com)), and your own security administrator, if a shipment of RBC Right Pay card products (packages) either:
    - Was not received as scheduled.
    - Was damaged or opened, or there is evidence that the contents of a sleeve, box, or container are missing.
  - Within the PAT application confirm receipt of each order by selecting the appropriate status for each shipment. Cards that are missing or damaged must be reported within the PAT application. (refer to your PAT manual within the section "Manage and Receive Orders" for detailed instructions).
  - Store the RBC Prepaid card products (packages) in a secured lockable storage area or vault with:
    - Secure construction that will withstand tampering and damage.
    - Where accessibility is granted only to individuals who need it and are authorized to have it.
  - When inventory exceeds 500 cards per location the following additional requirements will apply:
    - An intrusion alarm system for the area or location where the prepaid card packages are stored.

**Process Flow**



Statement of Work  
Pursuant RBC Right Pay Reloadable Payment  
Card Program Delivery Agent Agreement

**I. Introduction**

This Statement of Work, between \_\_\_\_\_ (the "**DA**"), and Royal Bank of Canada (the "**Bank**") dated \_\_\_\_\_ (the "**Effective Date**") is made pursuant to Article 2 of the RBC Right Pay Reloadable Payment Card Program Service Delivery Agent Agreement ("**DA Agreement**") and is subject to the Client Agreement ("**Banking Agreement**") dated as of \_\_\_\_\_, as amended from time to time, between the Bank and the DA.

The DA is introducing a Program for the issuance of reloadable Prepaid Cards ("**OW Payment Card**") for Clients living in its jurisdiction who are receiving income support under the Ontario Works Program ("**OW**") who do not receive their payments by direct bank deposit.

Direct bank deposit will remain the preferred method of payment for OW income support. The OW Payment Card will provide an alternative to payments by cheque.

The Bank will deliver the OW Payment Card in accordance with the scope of services and deliverables, Service Levels, pricing, fees and implementation timelines that are set out in this Statement of Work.

Service Levels applicable to the OW Payment Card are attached hereto as Schedule A to this Statement of Work.

**II. Definitions**

For the purposes of this Statement of Work, the following words shall have the following meanings. Any capitalized terms that are not defined herein shall have the same meaning as in the Banking Agreement and the DA Agreement.

**"Card Fulfillment"** refers to the Bank's process of: (i) distributing individual Cards directly to Clients; or (ii) delivering Card stock inventory ordered by the DA to OW offices.

**"Card Package"** means the card package that is described in Section 4.2 of this Statement of Work.

**"CSR"** means customer service representative.

**"CVV"** means the Card Verification Value; the three-digit code that is found on the back of the Card and which is used as an additional security feature for merchants to validate that a Cardholder is in possession of a genuine Card.

**"Expired Card"** means the Card has reached its expiration date and can no longer be used.

**"OW"** has the meaning set out in the Introduction.

**"OW Payment Card"** has the meaning set out in the Introduction.

**“PAT”** or **“Prepaid Administration Tool”** refers to the web/browser application provided to the DA by the Bank for the purposes outlined in Section 11.1(v) of this Statement of Work.

**“Performance Warranty Services”** means repairs to the Program system requirements or corrections to defects in the Program system requirements.

**“PMA”** or **“Prepaid Management Application”** refers to the web-based application provided to the DA by the Bank for the purposes outlined in Section 11.1(iii) of this Statement of Work, including the related database.

**“Program Requests”** means instructions originating from the Delivery Agents through Social Assistance Management System (SAMS) and delivered to the Bank via web service call for the purposes of operating the Program.

**“Province”** means the Province of Ontario ministry with statutory or other responsibility for OW and SAMS.

**“POS”** means a *point of sale* device used at merchant locations to capture and transmit purchase Transactions for processing.

**“SAMS”** or the **“Social Assistance Management System”** is the Province’s system of record that captures Enrolment information for OW.

**“Security Devices”** has the meaning set out in section 12.7.

**“Security Incident”** has the meaning set out in section 12.8.

**“Total Balance”** includes the Available Balance plus any authorized but not yet settled Transactions.

**“VRU”** refers to the interactive voice response unit that is a component of the Bank’s automated telephone customer service system.



### III. Scope of Services and Deliverables

The Bank will deliver the OW Payment Card in accordance with the scope of services and deliverables, Services Levels, pricing, fees and implementation timelines that are set out in this Statement of Work.

The terms and conditions of the DA Agreement are hereby incorporated by reference in this Statement of Work to the same effect as if fully set out in this Statement of Work. In the event of any conflict or inconsistency between the term or provision of this Statement of Work and any term or provision of the DA Agreement, the terms and provisions of the DA Agreement shall govern.

#### 1.00 Card Design / Characteristics / Functionality

1.1 The Bank will provide standardized Card package collateral as part of the Program to be made available to the DA. Card package collateral will be provided in English and French but will not be bilingual. The Bank will ensure that the Cardholder Agreement contains provisions related to protection of Cardholder privacy.

1.2 All Cards will include raised letter embossing for the 16-digit Card number and four-digit expiration dates.

Cards delivered directly from the Bank to Cardholders will include the embossing of the Cardholder's first and last name. Cards issued from OW offices will not include embossed Cardholder's first and last name.

The Card design will not identify the Cardholder as a Client.

1.3 All Cards will have Chip and PIN functionality so Cardholders can make purchases at Chip and PIN enabled POS and withdraw cash from ATMs.

All Cards will include a magnetic stripe encoded with the necessary data required for potential Card use with non-CHIP enabled POS and ATMs.

Online or card-not-present telephone Transactions may not require the use of a PIN.

1.4 Except for Closed Cards, cards in a Research Required, or Pending Issuance status and Expired Cards, all Cards will be reloadable, accepting one time, sporadic and recurring Loads.

The Cards may only be Loaded with Card Proceeds in respect to the OW Payment Card or with card Proceeds originating from another participating program such as ODSP.

1.5 Except for Closed Cards, balances on all Cards will carry over from month to month automatically.

1.6 Cards will have a four-year expiry date from the date of Card Fulfillment.

#### 2.00 Card Activation / PIN Selection

2.1 All Cards will be in a ready-to-activate state with the activation process to be executed by the

Cardholders. Cardholders will be able to select their PIN at Card activation.

2.2 The Bank will provide all Cardholders with the following options for activating their Cards, or such other options as the Bank may determine, acting reasonably:

i. Card activation via the VRU:

- Cardholders will activate their Cards by calling the Bank's toll-free number assigned to the OW Payment Card.
- Cardholders will be required to enter information such as their 16 digit Card number, CVV and Tokens for authentication purposes.
- Once the Cardholder identity is authenticated, the Card is activated.
- Cardholders will be required to select their four-digit PIN as part of the Card activation sequence.

ii. Card activation via the Consumer Website:

- Cardholders will navigate to the Consumer Website associated with the OW Payment Card.
- Cardholders will be required to enter information such as their 16-digit Card number, CVV and Tokens for authentication purposes.
- Once the Cardholder identity is authenticated, the Card is activated.
- Cardholders will be prompted to select their four-digit PIN as part of the activation sequence.

iii. Card activation via a call centre CSR:

- Should Cardholders encounter difficulty activating their Cards via the VRU, they will be transferred to a live call centre CSR.
- Should Cardholders have difficulty activating their Cards via the Consumer Website, they will be directed to contact Cardholder support to talk to a call centre CSR.
- The call centre CSR will request the 16-digit Card number and then attempt to authenticate or verify the Cardholder identity by asking questions about the Cardholder's Personal Information or Card details.
- Once the Cardholder is authenticated, the CSR activates the Card and provides the Cardholder direction on PIN selection.
- Callers who cannot be authenticated will be directed to contact the OW office.

The Bank may amend the options that a Cardholder may use to activate a Card noted above upon advance written notice to the DA.

### **3.00 Use of the Card**

3.1 The Cards will be accepted at Visa merchants worldwide for POS purchases, telephone and online Transactions in accordance with the terms and conditions set out in the Cardholder Agreement. The DA acknowledges and agrees that the Bank does not make any representations or warranties about Card acceptance at any individual merchant.

- 3.2 The Bank has the right, in its sole discretion, to block or decline to authorize any Transaction including, but not limited to, restrict Cards from being used in sanctioned countries, at online gambling websites, or to otherwise comply with the Bank's legal, regulatory requirements or other Bank policies; provided that the Bank will only impose such restrictions on the Cards that the Bank generally imposes on the other prepaid cards that it issues.
- 3.3 The Card will allow Cardholders to make cash withdrawals on their Card from Bank-branded ATMs, and ATMs on the Visa Plus Network. The DA acknowledges and agrees that the Bank does not make any representations or warranties about whether Cardholders will be able to make cash withdrawals at any other ATMs or whether additional fees that are charged by ATM owners may apply in those circumstances.
- 3.4 The Cards may be used to make bill payments with merchants that accept Visa as a form of payment. The DA acknowledges and agrees that the Bank does not make any representations or warranties about whether any individual merchant will accept the Card for bill payments.
- 3.5 The following daily withdrawal and purchase limits apply to the OW Payment Card:

Limits	Amount
Maximum purchase amount per Card per calendar day	\$4,000
Maximum ATM cash / cash back amount per Transaction	\$500
Maximum ATM cash / cash back amount per Card per calendar day	\$2,000

- 3.6 The Bank will not hold back funds and Cardholders will have access to the full Available Balance on their Card subject to:
- (a) established program limits set out in Section 3.5 above;
  - (b) standard market practices on pre-authorizations and holds; and
  - (c) Transaction posting which may result in portions of a Cardholder's balance being temporarily unavailable.

The Bank will provide Cardholders with both a Total Balance and an Available Balance when a Cardholder makes a balance enquiry. When the Available Balance and Total Balance differ, Cardholders will only have access to the Available Balance.

- 3.7 The Bank will not extend credit to Cardholders.

Negative balances may occur in exceptional circumstances such as a delay in posting of a Transaction by a merchant.

The Bank will not attempt to recover such negative balance from the Cardholder directly. If there is a negative balance on a Card at the time the Card is reloaded, the Bank will apply the reloaded funds to the negative balance. If the negative balance is subject to a pending dispute, the Bank will credit the Card with the applicable amount if the dispute is settled in the Cardholder's favour.

Cards that are in negative balance over a certain period of time may be subject to closure and

cannot be reactivated. The DA can request that the Bank issue a new Card for the Cardholder in such circumstances.

3.8 Cardholders will be able to continue using their Cards in accordance with this Article 3, even if the DA has suspended or terminated that Cardholder's OW income support. If the DA subsequently reinstates the Cardholder's OW income support, the Card may be Loaded or reloaded so long as it is not an Expired Card or Closed Card or Card Suspended for Fraud.

3.9 All funds Loaded to the Cards will not be subject to attachment or garnishment as set out in the *Ontario Works Act, 1997, S.O. 1997, c. 25, Sched. A* as may be amended from time to time.

#### **4.00 Cardholder Disclosures (Fees and Program Information)**

##### Initial Disclosures

4.1 Prior to issuing a Prepaid Card, the DA will provide any and all disclosures required to be given for statutory, regulatory or legal purposes prepared by the Bank and approved by the DA to, and will obtain and record the express consent of, a Client who is considering receiving Benefits through Prepaid Cards, in accordance with the workflows and processes agreed to by the DA and the Bank.

##### Fees and Program Information

4.2 For every instantly issued Prepaid Card and for every instantly issued replacement Prepaid Card the DA will provide the Cardholder with a Card Package within a standard #10 envelope that includes:

- An 8.5" x 11" letter to which the Card will be affixed (Card carrier) with information on Card activation, Card usage and Cardholder support. This letter will be personalized to the Cardholder if the Bank sends the Card directly to that Cardholder.
- Program fee information on the reverse side of the letter
- An insert containing information and instructions on Card use, 8.5" x 11" or smaller
- The Cardholder Agreement
- A financial literacy insert
- A wallet card with Cardholder support contact information and Consumer Website address in a single panel format with perforated area

4.3 The Card Package will be available in both English and French but will not be bilingual. Cardholders must select their preferred language during Enrolment to the OW Payment Card which will determine the language of their Card Package.

#### **5.00 Cardholder Support**

5.1 The Bank will provide Cardholders access to the following Cardholder support channels during the term of the OW Payment Card and for a period of 12 months following the termination of the OW Payment Card:

- Toll-free automated VRU

- Toll-free call centre staffed by CSRs
- Consumer Website

5.2 The Bank will configure the Consumer Website to include the following minimum functionality for the Cardholders:

- Card activation
- View balance
- View transactions
- Manage alerts
- View OW Payment Card information
- Suspend and un-suspend Card
- View profile
- Manage PINs (selection, reset and change)
- View and print statements

The Bank will make comprehensive OW Payment Card Frequently Asked Questions and the Cardholder Agreement available in electronic format on the Consumer Website.

The Bank will require that Cardholders authenticate themselves to log in to the Consumer Website, including by validating Card information or through the use of Tokens. The Cardholder will be required to enter a Card number, CVV and applicable Tokens on first visit, and on all subsequent visits. Cardholders will be required to create a unique username and password, provide an email address, and authenticate themselves to log in to the Consumer Website using such unique username and password.

The Consumer Website is designed and tested for optimal performance using the following:

- Internet Explorer 11 (without Compatibility Mode) on Windows 10
- Chrome on Windows 10
- Edge on Windows 10
- iPhone X series
- iPad Air
- Samsung Galaxy 9
- Safari on iOS 11.0.3

The Bank will notify the DA in writing in advance if the browser types that are designed and tested for optimal performance of the Consumer Website noted above change. Furthermore, the Bank will use commercially reasonable efforts to ensure that the Consumer Website functions without any material deficiencies on all other browsers that are used by a significant portion of the market in Canada.

5.3 The Bank will allow Cardholders to reset and change their PINs via VRU, the Consumer Website or with live CSR assistance.

Cardholders may call the VRU and navigate to a call centre CSR to reset and change their PINs. Once the Cardholder's identity is authenticated, the CSR will reset the Cardholder's PIN and direct them to the VRU to select a new PIN. CSRs are not able to retrieve or process the selection of the Cardholder's PIN but will offer instruction on PIN selection via VRU. The Bank

has no obligation to retrieve a PIN that the Cardholder has forgotten.

- 5.4 Cardholders with valid Cards will have the ability to view and print statements for the previous 24-month period through the Consumer Website.

Cardholders with Expired Cards or Closed Cards will not have access to the Consumer Website to view and print statements.

- 5.5 The Bank will comply with reasonable requests for Cardholder statements, including for Expired Cards or Closed Cards, which are no longer available from the Consumer Website for the previous 7 year period at no cost to the Cardholder.

#### **6.00 Replacement of Lost/Stolen/Damaged Cards**

- 6.1 The Bank will include information in the Card Package regarding the process for reporting lost, stolen or damaged Cards. Cardholders will be advised to contact the Bank's call centre as soon as possible to report the status of their Card.

- 6.2 When the Cardholder contacts the Bank's call centre to report a lost, stolen or damaged Card, the call centre CSR will attempt to authenticate or verify the Cardholder identity by asking questions about the Cardholder's Personal Information or Card details, validate the Cardholder's address and then, if authenticated successfully, immediately change the Prepaid Card's status from Activated Card to Closed Card.

The CSR will offer to mail a replacement Card to the confirmed address while advising the Cardholder of a 3 to 10 Business Day delivery timeframe.

At the Cardholder's request, the CSR will advise the Cardholder of the Total Balance and Available Balance on the lost, stolen or damaged Card. In addition, at the Cardholder's request, the CSR will review the previous few transactions on the Card with the Cardholder to identify if any fraudulent transactions have occurred.

- 6.3 The Bank will immediately delink the Cardholder's Prepaid Card file and Personal Information when a Cardholder reports their Prepaid Card as lost, stolen or damaged.

- 6.4 The Bank will mail the replacement Card directly to the last address on file for the Cardholder along with a letter containing specific information for replacement Cards, including instructions on Card activation, and disposal of a damaged Card.

- 6.5 If the Cardholder requires the replacement Card sooner than 3 to 10 Business Days, the call centre CSR will advise the Cardholder to contact the OW office.

- 6.6 The DA will have the ability to instantly issue replacement Cards for lost, stolen or damaged Cards through the use of PAT.

When using PAT to replace a lost, stolen or damaged Card, the existing Card is automatically and instantly closed, the Cardholder's Personal Information is immediately delinked from the Cardholder's Prepaid Card file and the replacement Card is ready for use, immediately by the Cardholder.

- 6.7 When a replacement Card, either issued by the Bank or OW office is activated, the Available Balance from the previous Card is immediately available on the replacement Card. All profile data including the Cardholder's Personal Information, PIN and transaction history will be linked to the replacement Card automatically.
- 6.8 All lost, stolen or damaged Cards that are replaced will maintain their existing PINs. The Bank will disclose this information in the Card Package that accompanies the replacement Card.

#### **7.00 Reissuance of Card at Expiry**

- 7.1 The Bank will reissue a new Card directly to the Cardholder approximately sixty (60) days prior to the expiration date of the Cardholder's current Card unless there have been no activities on that Card within the previous 12 months.

The following are considered Card activities:

- Loads and reloads
- Purchases
- Refunds
- Cash withdrawals
- Balance enquiries
- Consumer Website login
- VRU login
- PIN changes or attempts
- Calls to Cardholder support

Fee charges and profile changes are not considered Card activities.

- 7.2 The Bank will mail the new Card directly to the last address on file for the Cardholder with a Card Package containing instructions on Card activation and disposal of the Expired Card.
- 7.3 When a Card is reissued to a Cardholder, the Available Balance associated with the old Card will be transferred automatically to the reissued Card immediately upon activation by the Cardholder.
- 7.4 Cards that are reissued will maintain their existing PINs. The Bank will disclose this information in the Card Package that accompanies the reissued Card.
- 7.5 If the Cardholder has not received their reissued Card, the Bank will reissue the Card upon notification from the Cardholder, subject to Section 7.1 of this Statement of Work.

#### **8.00 Closed Cards**

- 8.1 The Bank will automatically close a Card if there have been no activities on the Card within the previous 12 months as set out in Section 7.1 of this Statement of Work, and the Card has a zero balance; or the Card has been in a negative balance scenario as described in Section 3.7 of this Statement of Work; or when a card closure is requested by the DA or, in the Bank's sole discretion if the Bank reasonably believes that the Card or Card number is being, or is likely to be, misused or if the Cardholder is in breach of the Cardholder Agreement.



- 8.2 When a Card is closed, it will be deactivated instantly. The Bank will not reload funds on a Closed Card or charge any fees to the Cardholder or to the DA in relation to that Closed Card.

The Closed Card will no longer function in any manner and it will not be possible to reactivate the Closed Card under any circumstances.

- 8.3 When a Card closure is requested by the DA, any Card Proceeds remaining on the Card will be returned by the Bank to the bank account designated by the DA for such purpose.

When a Card is closed by the Bank, in its sole discretion, except in circumstances where the Card Proceeds must be held or frozen by the Bank in accordance with Sanctions Laws, the Bank will return the Available Balance on the Card directly to the Cardholder in the form of a bank draft sent to the Cardholder by regular mail delivery.

#### **9.00 Privacy / Confidentiality (Cardholder)**

- 9.1 The Bank will not conduct credit or background checks on Clients/Cardholders enrolling/enrolled in the OW Payment Card.

- 9.2 The DA will share the following Personal Information with the Bank for all Cards issued within the OW Payment Card:

- Cardholder first and last name
- SAMS Reference Number
- Cardholder address or address associated with the Cardholder
- Cardholder telephone number or telephone number associated with the Cardholder (if available)
- Cardholder date of birth
- Language Indicator

All Cards will be registered with this Personal Information at the time of issuance through the Program Request process.

The Bank may use the information above to create Tokens.

The Bank will ensure that the Cardholder Agreement contains provisions related to protection of Cardholder privacy.

- 9.3 The DA will obtain the consent of each Client to disclose Client Personal Information to the Bank, its subcontractors and third party service providers, for purposes of the Bank's administration of the Card Services.

#### **10.00 Training**

- 10.1 The Bank will deliver training session(s) to identified Ministry and DA staff, in a format to be agreed upon by the Ministry and the Bank, on the use of the PAT and PMA, including the roles and responsibilities associated with each function.

- 10.2 The training approach (e.g. in-class, WebEx session, on-line tutorial) and the timing of the training will be agreed upon by the Bank and the Ministry.
- 10.3 The Bank will develop training materials and any user guides and manuals for use by the Ministry and DA for use for future training sessions for the purposes of the RPC program. Without limiting section 7.03 of the Ministry Contract, the Bank grants the Ministry and DAs the right to reproduce, distribute and post the materials, in whole or in part, on intranet sites as required.
- 10.4 The PAT and the PMA do not include a training environment.

#### **11.00 Program Systems Requirements**

- 11.1 The Bank will deliver enhancements to the current RBC platform that support:
- i. participation in the Program by DA;
  - ii. Program Requests between the Bank and SAMS, which will be the system of record; SAMS will capture enrolment and payment information that will be delivered to the Bank and receive automatic responses from the Bank.
  - iii. receiving and processing instant, scheduled or near-real-time Program Requests for Program activities such as:
    - a. Client enrolment in the Program
    - b. Confirmation of Closed Card status
    - c. New instant or mail order Card issuance from DA
    - d. Payment Loads or Reloads to active cards including post-dated payments
    - e. Cardholder profile updates
    - f. Cardholder transfers between participating locations and programs
  - iv. acceptance and processing of Program Requests by the Bank provided that the DA deliver each Program Request, via SAMS, in the format and within the time frame set out in the Service Levels.
  - v. the Bank sending automatic responses to all Program Requests via SAMS.

#### **12. PAT AND PMA**

- 12.1 The Bank will provide the DA with the use of PAT and PMA in connection with the Program.
- 12.2 The Bank will ensure that user access to PMA and PAT are subject to reasonable security provisions, which include the following:

For PAT:

- Passwords must be a minimum of seven characters in length

- Passwords must include at least one upper case character
- Passwords must include at least one lower case character
- Passwords must include at least one numeric character
- Passwords must include at least one alphabetic character
- Passwords must include at least one special character
- Users may not re-use the previous 12 passwords
- Passwords expire every 30 days
- Users must answer additional questions as part of authentication process (knowledge-based authentication)

For PMA:

- Passwords must be a minimum of ten characters in length
- Passwords must include at least one numeric character
- Passwords must include at least one uppercase letter
- Passwords must include at least one lowercase letter
- No repetition of characters
- Half the length cannot be part of the username (e-mail address)

12.3 The Bank will automatically delete PAT user accounts with no logins for 400 consecutive days. These user accounts cannot be reactivated or reinstated.

12.4 The Bank will automatically delete PMA user accounts with no login for 400 consecutive days, or such other number of days as the OW Payment Card administrator with the appropriate authority determines and implements through PMA. These user accounts cannot be reactivated or reinstated.

All of the foregoing security provisions may be revised from time to time by the Bank. The Bank will provide advance written notice to the DA of any such changes.

12.5 The DA shall have the right to use PMA and PAT in connection with the OW Payment Card and shall not assign or sub-license that right. The DA's right to use PMA and PAT will end immediately on termination of this Statement of Work.

12.6 The DA will at all times have in place prudent measures to ensure the security and confidentiality of any telecommunication or electronic transmission method which may be used by the DA in connection with the PMA and PAT, including any computer, email, Internet, mobile device or wireless device ("Electronic Channel"). Such security measures include using relevant and up to date anti-virus scanning software, a firewall, installing the latest security patches to provide assurance that no virus is introduced into the systems or software while accessing the PMA and PAT.

12.7 The DA is responsible for maintaining the security and confidentiality of all security devices which may be used in connection with the PMA and PAT including user names and passwords (the "**Security Devices**"). The DA is responsible for ensuring that Security Devices will only be provided to and used by persons properly authorized on its behalf for such purposes in connection with the PMA and PAT and that such persons do not disclose or share, or agree to the disclosure or sharing of, a Security Device with any person.

- 12.8 If it is suspected or known that any Security Device has been compromised in any way, including if the DA knows or reasonably ought to know that there has been any unusual, fraudulent or unauthorized use of Security Devices or the PMA or PAT or some other security incident (a "**Security Incident**"), the Security Device must be changed immediately
- 12.9 Upon discovery of any Security Incident, the DA will immediately notify the Bank in writing and (i) assist the Bank, or any Bank entity or third party service provider acting on its behalf, in the management of any consequences arising from such Security Incident; (ii) take any reasonable steps necessary to mitigate any harm resulting from the Security Incident; and (iii) take appropriate steps to prevent a recurrence.
- 12.10 The parties agree that communications between their respective employees and representatives in connection with the PMA and PAT and the services provided by the PMA and PAT are necessary and requested for the performance of the Card Services. The parties expect and request electronic communication for such purposes.
- 12.11 The Bank is not liable for any loss, costs, damages or expenses arising in relation to the use of PMA and PAT ("Losses") to the extent they are caused by any of the following: (a) mistakes in, omissions from, inaccuracy or inadequacy of, or delays with, any information provided to the Bank through the PMA or PAT; (b) the DA (i) failing to take reasonable measures to protect against and prevent the Losses, or (ii) failing to adequately cooperate with the Bank in a related investigation; and (c) the transmission of any destructive or contaminating properties, including viruses, through an Electronic Channel, or any related damage to any computer systems.
- 12.12 The Bank will provide the DA with access to PAT for the purposes of Program administration, Card unloads, reporting, Card stock inventory management and issuance of replacement Cards for lost, stolen or damaged Cards.
- 12.13 OW Payment Card administrators within the DA with the appropriate access credentials will have the ability to add or remove PMA and PAT users and modify level of access granted to PMA and PAT users as required.
- 12.14 PMA and PAT will be accessed via the public internet through a URL provided by the Bank.
- 12.15 PAT will operate on the following computer requirements:
- Internet Explorer 11 on Windows 10
  - Edge on Windows 10
- 12.16 PMA will operate on Microsoft Internet Explorer 10 or higher, Firefox 35 or higher and Chrome 43 or higher. As soon as the Bank is made aware of updates to the computer requirements for the tools, it will notify the DA of such updates.
- 12.17 The DA will have the ability to instantly issue replacement Cards for lost, stolen or damaged Cards through the use of PAT.

When using PAT to replace a lost, stolen or damaged Card, the existing Card is automatically and instantly closed, the Cardholder's Personal Information is immediately delinked from the Cardholder's Prepaid Card file and the replacement Card is ready for use, immediately following

activation.

When a replacement Card, either issued by the Bank or DA office is activated, the Available Balance from the previous Card is immediately available on the replacement Card. All profile data including the Cardholder's Personal Information, PIN and transaction history will be linked to the replacement Card automatically.

12.18 PAT will support an unlimited number of concurrent users.

12.19 The Bank will provide the DA with access to the PMA for the purposes of Program administration, payment recalls and requesting reports for financial administration activities and reconciliation.

For each recall attempt, the PMA will indicate the success or failure of the request.

12.20 The Bank will ensure that the DA is able to generate the following reports from the PMA in both .csv and PDF:

- A payment activity report that contains the details of the payments that have been requested for recall, when the request for recall was made and by whom.
- A daily report that shows how many recalled payments the administrative user approved, including daily or monthly payments. Each payment should also indicate the user who requested the recall.
- A report identifying all the successful recalls and payments that were processed to be used for reconciliation in SAMS.
- A daily report excluding any recalled items to support Bank reconciliation.
- A daily report on real time payments
- Other reports that may added as part of Program enhancements

12.21 The Bank will ensure that DA access in PAT and PMA is restricted to records and data associated the DA. The Ministry will also have access to OW cases in PAT.

12.22 The Bank will use commercially reasonable efforts to ensure that PMA and PAT functions without any material deficiencies on browsers that are used by a significant portion of the market in Canada.

12.23 PAT will be made available to the DA in English and French. PMA will be made available to the DA in English.

12.24 The Bank will provide DA with manuals for PMA and PAT that contain a materially complete and accurate description thereof, and is a materially complete and accurate guide to the operation of PMA and PAT. The Bank shall provide updates to the manuals from time to time during the term of the Contract so as to remain materially complete and accurate and reflect all changes made to PMA and PAT.

12.25 The DA's right to use PMA and PAT will end immediately on termination of this Contract.

### 13 **Program Request Processing**

- 13.1 Instant Issuance, Card Order, Reload and Profile Update instructions in the form of Program Requests will be delivered daily by the Province, on behalf of the DA, to the Bank electronically for processing by the Bank.

The Ministry, on behalf of the DA, will deliver a Reload Program Request to the Bank once a month for processing by the Bank.

- 13.2 Program request acceptance and processing will be maintained by the Bank provided that the Ministry on behalf of the DA deliver each Program Request in the timeframe set out in the Service Levels and in the format agreed upon by the Province and the Bank.
- 13.3 When errors associated with the Program Requests and records occur, the Bank will notify the Province, who will notify the DA of the status within the agreed upon timeframe as set out in the Service Levels.
- 13.4 The Bank will provide automatic responses in the format of the original Program Request received including detail on all record level successes and failures including failure reason codes. The corrected errors will be resubmitted to the Bank via SAMS.

### 14 **Enrolment in the Program**

- 14.1 The Ministry's Social Assistance Management System (SAMS) will be the system of record capturing Enrolment information that will be delivered daily to the Bank via the Program Request process.
- 14.2 A Reload Program Request may be processed only after an Instant Issuance or Card Order Program Request is received and processed.

### 15 **Card Issuance**

- 15.1 The Bank will provide the DA with the following options for Card Issuance through the Program Request process:
- Instruct the Bank to issue Cards directly to Cardholders by mail to the address information indicated in the Card Order Program Request associated with each instruction; or
  - Instant issue Cards at OW offices using SAMS and inform the Bank of such issuance through the Instant Issuance Program Request.
- 15.2 Until the Program Request process has been completed, Cards issued to Cardholders by OW offices cannot be activated and the Cardholders will not be able to use the Cards or access Cardholder support channels.

The Cards will not have funds Loaded and available to the Cardholders until the Reload Program Request has been submitted to the Bank and successfully processed.

- 15.3 To facilitate instant Card Issuance at OW offices, the Bank will provide the DA with an inventory of Card Packages as set out in Section 4.2 of this Statement of Work, in sealed envelopes with a proxy number printed on the exterior of the envelopes.

The Bank will deliver bulk Card Package shipments via courier and the DA will have the ability to track shipment.

The Bank and the DA will agree on processes for bulk Card Packages stock delivery to OW offices, validation and reconciliation of each shipment and measures to address order errors and lost or returned shipments, as referenced in the Card Custody and Inventory Guide or such other documents agreed to by the DA and the Bank.

The Bank will accept redirect requests for orders that have been placed but not shipped.

- 15.4 The DA will inform all OW offices including, but not limited to, all existing and new OW employees, agents or other individuals authorized to act on the DA’s behalf (collectively, the “**DA Employees**”) of the Card Custody and Inventory Guide and any Applicable Visa Rules. The DA agrees to implement business processes to instruct such DA Employees for compliance with the Card Custody and Inventory Guide and any Applicable Visa Rules. The DA further agrees to keep all the applicable DA Employees informed of any amendments to the Card Custody and Inventory Guide and any Applicable Visa Rules.

16 **Loading/Reloading of Funds**

- 16.1 The Bank will receive daily Reload Program Requests from the Province, on behalf of the DA, for Loading or reloading of one-time, sporadic and monthly payments. The Bank will process these Reload Program Requests on payment due dates to be established by the DA.

- 16.2 Payment due dates may be post-dated within the same calendar month. The Bank will hold processing of these Reload Program Requests until the payment due date.

- 16.3 Once every month, the Bank will receive on the same day, one Reload Program Request from the Province, acting on behalf of the DA, for daily payments and one Reload Program Request from the Province, acting on behalf of the DA, for monthly payments. The Bank will process these Reload Program Requests on payment due dates established by the DA, and Cards may receive funds from both Program Requests.

- 16.4 All funding shall originate from the Funding Account(s) designated by the DA for the OW Payment Card. The Bank will debit the Funding Account(s) following the processing of each Reload Program Request and the corresponding funds will transfer to a Settlement Account held by the Bank for the purposes of Loading and reloading the Cards under the OW Payment Card.

Rejected records must not be deducted from the Funding Account until the record is re-submitted or corrected and is accepted by the Bank.

- 16.5 The following limits will apply to the OW Payment Card:

Card Program Limits	Amount
Minimum reload amount per transaction	\$0.01



Maximum reload amount per transaction	\$10,000
Maximum reload amount per Card over a 7 calendar day period	\$10,000
Maximum Card balance	\$10,000

- 16.6 The DA may recall records within the Reload Program Requests through the PMA. The DA will only be permitted to delete records prior to their payment date through the PMA. Changes to the record level detail, such as a change to the payment amount, will not be permitted.

For each recall attempt, the PMA will indicate the success or failure of the request including a reason code.

The Bank will not withdraw recalled payments from the Funding Account.

## 17 **Unloading Cards**

For the purposes of section 17 and the subsections thereunder, the term Available Balance shall have the meaning given to it in the Addendum.

Funds can be unloaded from Cards in the following circumstances. The Bank will not unload Card proceeds in excess of the Available Balance on the Card.

### 17.1 **Deceased Cardholders**

Upon the death of a Cardholder, the Bank will unload any Card Proceeds Loaded following the month in which the Cardholder died and return such Card Proceeds to the bank account designated by the DA for such purpose.

The DA will advise the Bank of the death of a Cardholder and any Available Balance remaining on the Card for which the deceased Cardholder was entitled will be returned to the party named by the DA based on agreed upon processes by the Bank and the DA.

### 17.2 Cards that have not been Activated

The DA may request that the Bank unload Card Proceeds and return, such Card Proceeds to the bank account designated by the DA for such purpose, where a Cardholder has not activated their Card and:

- (i) the DA determines that a Cardholder is not Client who is eligible to receive Benefits or Card Proceeds; or
- (ii) the Cardholder has received Benefits for the same period through a different method of payment.

### 17.3 Cards that have been Closed

The Bank will unload funds in an amount equal to the value of the Card Proceeds in the circumstances outlined in and in accordance with section 8.3.

### 17.4 Responsible Ministry Request

The Bank will unload funds in an amount equal to the value of the Card Proceeds at the request of the DA and return such Card Proceeds to the bank account designated by the DA for such purpose.

## **18 Profile Updates**

18.1 Profile updates for Cardholders who are actively enrolled in OW will be made by the DA in SAMS and Profile Update Program Requests will be sent to the Bank on a daily basis.,

## **19 Service Request**

19.1 The Bank will provide the DA with the ability to submit technology service requests which will include status reporting and tracking functionality. Status reports and regular reviews will allow for information to be shared and tracked via an issues log, as required.

The Program Manager assigned by the Bank to the OW Payment Card will serve as the point of contact for service requests and the issues log.

## **20 Accessibility**

20.1 As of the Effective Date of this Statement of Work, Cardholder support services include accessible channels for people with disabilities as more particularly described below:

- Telephone Support (VRU/Call Centre) includes accessible features such as TTY support and relay service support to provide assistance via chat service.
- Consumer Website is conformant with the Web Content Accessibility Guidelines (WCAG) version 2.0, and is conformant with Level 1 and Level 2 of WCAG guidelines.

20.2 The Bank provides training to Bank employees whose duties involve interaction with the public or other third parties on how to interact and communicate with person with various types of disabilities.

CSRs are trained on handling a call with an interpreter in support of hearing impaired or speech challenged Cardholders.

20.3 Printed materials associated with RBC prepaid card products are not currently available in alternate formats such as audio or e-text options. However, the Cardholder Agreement will be available online via the Consumer Website.

20.4 Bank branches accommodate Cardholders with disabilities by providing barrier-free accessibility to Bank branches, including:

- Voice guidance enabled ATMs
- At least one dedicated wheelchair accessible ATM in each branch location that meets and exceeds the Canadian Standard Association (CSA) standards
- ATMs built to be barrier-free including lowered mounting heights; some are also equipped with Braille
- Audio ATMs
- Bank ATMs offer service in English and French
- Automated/accessible doors and vestibules

- Barrier-free ramps to vaults and service areas
- Barrier-free washrooms in every new branch
- Barrier-free safety deposit box booths in new branches
- Where available, at least one parking space reserved for customers with disabilities
- Lifts or elevators in new multi-level branches

20.5 Cardholders who are accompanied by a service animal may access all Bank premises that are normally accessible to clients.

Cardholders who are accompanied by a support person will have access to that support person while on the Bank's premises.

20.6 In the event of a planned or unexpected disruption in any facility or service used by Cardholders with disabilities, the Bank will place notices at all public entrances, service counters located on the Bank premises, and if appropriate, on Bank websites and outgoing telephone messages. The notice will include:

- information about the reason for the disruption
- the anticipated duration of the disruption
- a description of alternative facilities or services, if available.

20.7 Cardholders can direct their feedback through the Bank website at <http://www.rbc.com/accessibility/feedback.html>.

20.8 All information to the Cardholder will be available in English or in French. Cardholders must select their preferred language when using support channels. Cardholders may also change their preferred language if desired.

VRU calls originating from Quebec area codes will be answered in French with the option to select English. All other VRU calls will be answered in English with the option to select French. If the Cardholder is transferred from VRU to a CSR, their selected language will be spoken

The Consumer Website includes the ability to switch between English and French.

## **21 Future Proof Requirement**

21.1 The Bank will take the following measures on an ongoing basis to facilitate Card functionality upgrades and enhancements for the DA:

21.2 Notification of new functionality and/or updates to existing functionality will be provided to the DA as the functionality becomes available.

21.3 The DA will be informed in advance and will not incur costs for any automatic updates to existing functionality.

## **22. Warranties**

**22.1 Representations and Warranties of the Bank** – In addition to any representations and warranties of the Bank made under the Banking Agreement, the Bank makes the following representations

and warranties to the DA as of the date of execution of the Statement of Work and throughout the term of the Program, and acknowledges that the DA are relying upon them:

- i. there is no agreement with any other Person which would in any way limit or impair the Bank's ability to enter into the Statement of Work or perform its obligations under the Statement of Work;
- ii. the Bank has, or shall obtain, all the rights for it to grant all of the rights and licenses that it grants under the Statement of Work.

### **23 Service Levels**

#### **(a) Requirement to Meet or Exceed Service Levels**

The Bank shall meet or exceed the Service Levels specified in Schedule "A" of the Statement of Work.

#### **(b) Failure to Meet Service Levels**

Without limiting any rights or remedies of the DA under the Banking Agreement, the DA Agreement or this Statement of Work, at law or in equity, if the Bank fails to meet the Service Levels, the parties will follow the incident resolution and escalation process set out in Section III of Schedule "A".

### **24 Application of the Bank's AML Policy**

24.1 The Bank's AML Policy is not applicable to the OW Payment Card. The Bank does not perform any scanning or other screening with respect to Clients or Cardholders.

### **25 Program Fees**

The OW Payment Card pricing is located in Appendix 1.

### **26 Cardholder Fees**

The following fee schedule will apply to the Cardholders:

Type of Fee	Amount of Fee
Purchases – using Card to buy goods or pay for services.	No fee
Cardholder Support via Consumer Website.	No fee
Automated Telephone Cardholder Support (VRU).	No fee
Live Agent Cardholder Support (CSR).	No fee
Cash Withdrawal from an RBC Royal Bank® ATM – making cash withdrawals at Royal Bank ATMs.	Four no fee withdrawals per month. Additional withdrawals are \$2 each.

Cash Withdrawal from a non-RBC Royal Bank ATM – making cash withdrawals from a non-Royal Bank ATM in Canada.	\$2 per withdrawal. Convenience fee as set by ATM owner may apply.
Cash Withdrawal from an ATM Outside Canada – making cash withdrawals at any ATM outside Canada.	\$5 per withdrawal. Convenience fee as set by ATM owner may apply.
ATM Balance Inquiry Fee – checking balance at any RBC Royal Bank ATM.	Two no fee Card balance requests per month. Additional Card balance requests are \$0.50 each.
Replacement Card Fee – replacing Card, including if it is lost or stolen.	No fee.
Inactivity Fee – fee charged after 12 consecutive months of inactivity. The Card is considered inactive if there are no activities occurring in the card as described under Section 7.1 of this Statement of Work.	\$2.50 per month
Foreign Currency Conversion – Transactions in a foreign currency will be converted into Canadian dollars no later than the date Royal Bank posts the Transaction to the Card at an exchange rate that is 2.5% over a benchmark rate Royal Bank of Canada pays the payment card network that is in effect on the date of conversion.	

## 27 Implementation Plan

The OW Payment Card will be launched on a date to be mutually agreed upon by the Bank and the DA in writing.

*[Signature Page Follows]*

IN WITNESS WHEREOF the Parties have executed this Statement of Work as of the Effective Date stated above.

**ROYAL BANK OF CANADA**

Per \_\_\_\_\_  
Name:  
Title:

Per \_\_\_\_\_  
Name:  
Title:

**[SERVICE DELIVERY AGENT]**

Per \_\_\_\_\_  
Name:  
Title:

Per \_\_\_\_\_  
Name:  
Title:

## SCHEDULE A

### Service Levels

#### Introduction

This Schedule “A” outlines the Service Levels that the Bank is required to meet for delivering the Card Services.

This Schedule “A” includes the following components:

- I. Program Management Support Services
- II. Service Delivery Standards
- III. Incident Resolution and Escalation Process
- IV. Performance Review Team

Any changes required will be mutually agreed upon in writing by the Bank and the Ministry.

All times shown in this document are in Eastern Standard Time. The RBC Right Pay Program Holiday Schedule referred to in this Schedule “A” will be provided by the Bank to the DA every year, 90 days prior to the following calendar year.

If there is any conflict between the Service Levels and the Statement of Work, the Statement of Work will prevail.

#### I. PROGRAM MANAGEMENT SUPPORT SERVICES

This section describes the OW Payment Card management support services as set out in Section 14.2(b) of the DA Agreement, and the availability of such services.

Monthly reporting will not be provided to the DA for this section.

<b>SERVICE DESCRIPTION &amp; AVAILABILITY</b>
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#### 1. Bank Program Management Services

Generic inbox: [rightpaysupport@rbc.com](mailto:rightpaysupport@rbc.com)

Hours: 8:00 am – 4:00 pm/during Business Days, excluding Bank holidays outlined in the RBC Right Pay Program Holiday Schedule

- The Bank will respond to email messages within two Business Days (not to be impeded by technical difficulties).
- The Bank Program Manager, listed in Section IV of this Schedule “A”, will return phone messages by the next Business Day.
- Escalations will be responded to as outlined in Section III of this Schedule “A”. The DA is to copy the Bank Program Manager directly on all escalated requests.



**2. Bank Technical Production Support**

The hours defined below exclude any Bank holidays outlined in the RBC Right Pay Program Holiday Schedule.

a. Technical issues related to Program Requests and Responses
RBC IT Production Support: Generic Inbox: <a href="mailto:RBCITPSCT@rbc.com">RBCITPSCT@rbc.com</a> (copy <a href="mailto:rightpaysupport@rbc.com">rightpaysupport@rbc.com</a> & <a href="mailto:resolctr@rbc.com">resolctr@rbc.com</a> ) Business Hours: 8:00 am - 4:00 pm/during Business Days
b. Other technical issues (i.e. PAT, PMA, Consumer Website, VRU, Authorizations, etc.)
Generic Inbox: <a href="mailto:rightpaysupport@rbc.com">rightpaysupport@rbc.com</a> (Program Management Service will triage issues appropriately) Availability: 8:00 am – 4:00 pm/during Business Days

**II. SERVICE DELIVERY STANDARDS**

This section outlines the Service Levels that the Bank is required to meet for delivering the following Card Services:

1. Technology solutions and Cardholder Access Channels
2. Cardholder support service
3. Card processing & Fulfillment
4. Program Request transmission and processing
5. Unloading and Return of Card Proceeds

The Bank will provide quarterly reports to the DA within 30 calendar days following the end of each quarter of the calendar year, with respect to attaining the Service Levels defined in this section.

**1. Technology Solutions and Cardholder Access Channels**

The following Service Levels shall apply seven days a week, 24 hours per day and are based on a calendar month.

SERVICE DESCRIPTION	CONDITIONS AND ACTIVITY	PERFORMANCE MEASUREMENT	RATING	REPORTING METHOD
1. PAT	PAT will be available to all authorized users	=>99 % of time	Meets	Via e-mail
		<99 % of time	Does not meet	
2. PMA	The PMA will be available to all authorized users	=>97% of time	Meets	
		<97% of time	Does not meet	
3.		=>99 % of time	Meets	Via e-mail

	Consumer Website	The Consumer Website will be available to Cardholders	<99 % of time	Does not meet	
4.	VRU	VRU will be available to Cardholders	=> 99 % of time	Meets	Via e-mail
			<99% of time	Does not meet	

### **Maintenance**

The Service Levels outlined in this section will not apply during scheduled or emergency maintenance downtime for the particular platform and/or system.

The Bank will notify the DA via e-mail of any scheduled maintenance that has direct impact on the Program. The Bank will make every effort to perform scheduled maintenance during off peak hours and to provide at least one week notice to the DA. The Bank will use best efforts to notify the DA in advance, of any emergency maintenance that has direct impact on the Program.

The e-mail notification will indicate the time, date, duration and impact of the scheduled or emergency maintenance to the OW Payment Card.

### **2. Cardholder Support Service**

The following Service Levels are measured on an aggregate level, and shall apply seven days a week, 24 hours per day and are based on a calendar month.

SERVICE DESCRIPTION	CONDITIONS AND ACTIVITY	PERFORMANCE MEASUREMENT	RATING	REPORTING METHOD
Call Centre	Responding to Cardholder calls	=>80% response within 20 seconds	Meets	Via e-mail
		<80% response within 20 seconds	Does not meet	
	Call abandon rate*	=>4% after 20 seconds	Meets	
		<4% after 20 seconds	Does not meet	

\*Call abandon rate is measured after a Cardholder is in queue to speak with a CSR and terminates the call before getting through.

### **3. Card processing and Fulfilment**

SERVICE DESCRIPTION	CONDITIONS AND ACTIVITY	SERVICE STANDARDS
1. New individual Card orders via the Card Order Program Request	From Card processing to Card dispatch to Canada Post	Day + 3-4 Business Days, excluding the Bank or Processor holidays outlined in the RBC Right Pay Program Holiday Schedule
2. Replacement of lost/stolen/damaged Cards by the Bank	From Card processing to Card dispatch to Canada Post	Day + 1-2 Business Days, excluding the Bank or Processor holidays outlined in the RBC Right Pay Program Holiday Schedule

3.	Reissue Card orders	From Card processing to Card dispatch to Canada Post  *Reissue Card orders will occur automatically based on the OW Payment Card configuration and the qualification conditions as set forth in the DA Agreement and Statement of Work.	Day + 1-2 Business days, excluding the Bank or Processor holidays outlined in the RBC Right Pay Program Holiday Schedule
4.	Card Package inventory orders for OW Offices	From Card Package inventory order processing to dispatch to Courier  *Card Package inventory orders will be processed and fulfilled as requests are submitted via PAT.	Day + 1-2 Business days, excluding the Bank or Processor holidays outlined in the RBC Right Pay Program Holiday Schedule

### Maximum Aggregate Volume

The Bank will process and dispatch up to a maximum rate of 2,000 cards per Business Day. The maximum aggregate volume of 2,000 will include new individual Card orders via the Card Order Program Request, replacement of lost/stolen/damaged Cards by the Bank and Card Package inventory orders across the ODSP and Ontario Works RPC programs.

Service standards will not apply for Card orders exceeding the maximum aggregate volume of 2,000.

## 4 Program Request Transmission and Processing

### a. Program Requests

The DA will send the Bank Program Requests, via SAMS, as set out in section 1.1.iii of Schedule 1 of the Contract at the following intervals:

- Instant Issuance – instantly register a Card issued in real time when the end-user sends instruction through SAMS
- Real time Card Load – every 15 minutes, from Monday to Friday excluding the Bank holidays outlined in the RBC Right Pay Program Holiday Schedule.
- Card Order – daily after 6:00 p.m., from Monday to Friday excluding the Bank holidays outlined in the RBC Right Pay Program Holiday Schedule.
- Profile update – daily after 8:00 p.m., from Monday to Friday excluding the Bank holidays outlined in the RBC Right Pay Program Holiday Schedule.
- Daily Card Load – daily after 8:00 p.m., from Monday to Friday excluding the Bank holidays outlined in the RBC Right Pay Program Holiday Schedule. Payments will be stored and available for recall in the PMA until 2:00pm on the payment due date.
- Monthly Card Load – after 8:00 p.m., 5 Business Days prior to the last Business Day of the month, as outlined in the RBC Right Pay Program Pay Schedule. Payments will be stored and available for recall in the PMA until 2:00pm on day prior to the payment due date.

The Bank will return instant and automatic responses to Program Requests.

b. Program Request Validation and Responses

The Bank will perform Program Request validation as each request is transmitted by the DA from SAMS.

The Bank will provide automatic responses in the format of the original Program Request received including detail on all record level successes and failures including failure reason codes.

Program Requests with errors will be rejected while requests without errors will be processed. The Bank will provide automatic responses to the DA via SAMS regarding the status of the Program Request, within the agreed upon timeframe and will include detail on all individual request failures including failure reason codes. The corrected errors will be resubmitted to the Bank via SAMS.

Program Requests sent by the DA that are free of errors will be sent by the Bank to the Processor for processing as set out in i, ii, iii, below.

- i. Instant Issuance, Real Time Card Loads, Card Order and Profile Update Program Requests will be processed by the Bank in real time.
- ii. Daily reload Program Requests will be processed on the payment due date established by the Ministry, within three (3) hours from the cut-off time for recalling records provided they are received by the daily cut-off time. Funds will be available to the Cardholders upon processing of the Reload Program Request.
- iii. Monthly reload Program Requests will be processed at 12:01 am on the payment due date established by the Ministry. Funds will be available to the Cardholders upon processing of the Reload Program Request.

Reload Program Requests received after the 2:00 pm cut-off time may be processed on the same day on a best efforts basis by the Bank. Any Program Requests received on a Bank holiday outlined in the RBC Right Program Holiday Schedule will be processed by the following Business Day.

c. Program Request Responses

The Bank will return a response to Program Requests as set out in section 1.1.v of Schedule 1 of the Ministry Contract for each successful request as they are processed.

d. Recalling Records

The DA will have the ability to recall records within the Reload Program Requests up to 2:00 pm on the payment due date for Daily Card Loads and up to 2:00 pm on the day prior to the payment due date for Monthly Card Loads.

5. **Unloading and Return of Card Proceeds**

The DA will have the ability to unload Card proceeds via PAT. The Bank will credit the DA's designated

bank account with the unloaded Card Proceeds within three (3) Business Days.

**III INCIDENT RESOLUTION AND ESCALATION PROCESS**

The Bank will assign, work, track report on and resolve all incidents based upon the severity level as described below. Attention/updates to an incident will be governed by the severity assigned to that incident. Severities are defined as follows:

SEVERITY	DESCRIPTION	NOTIFICATION	RESOLUTION	STATUS UPDATE
<p><b>Severity 1 – Critical:</b> Actual or potential impact on the Card Services is severe and requires immediate attention and resolution.</p>	<p>A major condition has occurred causing Card Services and features to be unavailable to the DA or to a majority of Cardholders.</p> <p>There is an immediate direct impact to the DA or to Cardholders that is clearly not an isolated instance.</p> <p><u>Examples:</u></p> <ul style="list-style-type: none"> <li>• Consumer Website, VRU or Call Center are unavailable to Cardholders.</li> <li>• PAT or PMA are unavailable to authorized users.</li> <li>• Program Requests transmission or communication issues.</li> <li>• Cards cannot be issued, receive Loads or perform Transactions.</li> </ul>	<p>Within 60 minutes from when the Bank’s Production Support team is made aware of issue.</p>	<p>Continuous attention until resolved.</p>	<p>Hourly from initial notification up to and including:</p> <ul style="list-style-type: none"> <li>• notification of resolution, or</li> <li>• notification that a resolution has been identified which will include the timeline for resolution.</li> </ul>

<p><b>Severity 2 – Moderate:</b> Actual or potential impact on Card Services is moderate.</p>	<p>I. A condition has occurred causing Card Services and features to be intermittently unavailable or degraded to the DA or to a majority of Cardholders.</p> <p>II. A major condition has occurred causing Card Services and features to</p>	<p>Within two (2) hours from when the Bank’s Production Support team is made aware of issue.</p>	<p>Resolved or identified resolution within 24 hours.</p>	<p>Every two (2) hours from initial notification up to and including:</p> <ul style="list-style-type: none"> <li>• notification of resolution, or</li> <li>• notification that a resolution has</li> </ul>
	<p>be unavailable to an isolated number of Cardholders.</p> <p>There is a direct, recurring impact to the DA or to Cardholders. <u>Examples:</u></p> <ul style="list-style-type: none"> <li>• Consumer Website, Call Center or VRU responses are noticeably degraded or intermittently unavailable to a majority of Cardholders.</li> <li>• PAT or PMA are noticeably degraded or intermittently unavailable to a majority of authorized users.</li> <li>• Non-PAT Program reporting is late or inaccurate.</li> <li>• Posting of Transactions or fees to Cardholders accounts are delayed or latency is present.</li> <li>• Card Issuance, Loads or Transactions are encountering</li> </ul>			<p>been identified which will include the timeline for resolution.</p>

<p><b>Severity 3 - Minor:</b> Actual or potential impact on Card Services is minimal.</p>	<p>A condition has occurred causing Card Services and features to be intermittently unavailable or degraded for the DA or an isolated number of Cardholders.</p> <p>There is an isolated impact to the DA or to Cardholders.</p> <p>Examples:</p>	<p>Within the calendar day the Bank's Production Support team is made aware of the issue.</p>	<p>Resolved or identified resolution within 30 calendar days.</p>	<p>Weekly from initial notification up to and including:</p> <ul style="list-style-type: none"> <li>• notification of resolution, or</li> <li>• notification that a resolution has been</li> </ul>
	<ul style="list-style-type: none"> <li>• Consumer Website, Call Center or VRU responses are noticeably degraded or intermittently unavailable for an isolated number of Cardholders.</li> <li>• PAT or PMA are noticeably degraded or intermittently unavailable for an isolated number of authorized users.</li> </ul>			<p>identified which will include the timeline for resolution.</p>



**Escalation Process**

The Bank and the DA each shall have the right to replace the individuals on the following list at their sole discretion. Any such change shall be communicated between the Program Managers via e-mail immediately.

	<b>DA CONTACTS</b>	<b>BANK CONTACTS</b>
<b>Final Escalation</b> – Always used for Severity Level 1 issues.		<p>1<sup>st</sup>: <a href="mailto:Rightpaysupport@rbc.com">Rightpaysupport@rbc.com</a>                      CC Bank Program Manager: Amelia Harker – Manager, Supplier Projects and Partnerships                      Amelia.Harker@rbc.com                      Office: 416-313-5205</p> <p>2<sup>nd</sup>: Simon Hawkins – Sr Manager, Supplier Projects &amp; Partnerships                      simon.hawkins@rbc.com                      Office: 416.974.3741                      Cell : 416-706-4803</p> <p>3<sup>rd</sup>: Eusebius D’Souza – Senior Director - P&amp;CB Supplier Management Shared Services                      Eusebius.dsouza@rbc.com                      Office: 416-348-6796                      Cell: 416-473-6064</p>
<b>Second Escalation</b>		<p>1<sup>st</sup>: <a href="mailto:Rightpaysupport@rbc.com">Rightpaysupport@rbc.com</a>                      CC Bank Program Manager: Amelia Harker – Supplier Manager, Prepaid Cards BAU                      Amelia.Harker@rbc.com                      Office: 416-313-7101</p> <p>2<sup>nd</sup>: Simon Hawkins – Sr Manager, Supplier Projects &amp; Partnerships                      simon.hawkins@rbc.com                      Office: 416.974.3741                      Cell : 416-706-4803</p>
<b>First Escalation</b>		<p><a href="mailto:Rightpaysupport@rbc.com">Rightpaysupport@rbc.com</a>                      CC Bank Program Manager: Amelia Harker – Supplier Manager, Prepaid Cards BAU                      Amelia.Harker@rbc.com                      Office: 416-313-7101</p>

#### IV PERFORMANCE REVIEW TEAM

The Bank and the DA agreed on the following Performance Review Team for purposes set out in Section 14.2 (c) of the DA Agreement including the review of the Service Levels.

The Parties each shall have the right to replace the individuals on the following list at their sole discretion. Any such change shall be communicated between the Program Managers via e-mail.

##### Delivery Agent:

Name	Title	Contact Details

##### The Bank:

Leah Napier	Vice President Retail Card Products	Leah.napier@rbc.com
Sam Paulos	Director, Prepaid Solutions	Work 416.974.2787 Cell 416.885.3698
Eusebius D'Souza	Director - P&CB Supplier Management Shared Services	416-348-6796
Simon Hawkins	Sr Manager, Supplier Projects & Partnerships	416.974.3741
Amelia Harker	Supplier/Program Manager, Prepaid Cards BAU	416.313.7101
Nick Andricciola	Assistant Manager-Supplier Ops/Support	416.974. 3579

Review of the Bank's performance of Card Services as measured in Service Levels reports will form part of the meeting schedule between Program Managers.

**Appendix 1**  
Card Program Pricing and Limits

Program Fees

The following per Card pricing will apply to DA who participate in the Program:

Ontario Works Reloadable Card Program	Cost
<ul style="list-style-type: none"> <li>▪ Prepaid VISA card with Chip &amp; PIN</li> <li>▪ Reloadable and with ATM cash access</li> <li>▪ Single Card design with four different colour schemes currently in use by the Ministry</li> <li>▪ Card package</li> <li>▪ Card Fulfillment by Canada Post to Cardholders</li> <li>▪ Card Fulfillment via courier to participating DA</li> <li>▪ Initial Card Loads</li> <li>▪ Card reissuance for active* Cardholders at current card expiration</li> <li>▪ Card Program administration services and support</li> <li>▪ Cardholder support charges (VRU and CSR)</li> <li>▪ Program fraud losses (excluding internal fraud)</li> <li>▪ Negative Card balances that the Bank cannot clear</li> <li>▪ Text message and/or email alert service</li> </ul>	\$16.00 per card
<ul style="list-style-type: none"> <li>▪ Fee charged each month for each active card where there is a reload, regardless of the number of reloads in that month</li> </ul>	\$2.00 per card/per month
<ul style="list-style-type: none"> <li>▪ Fee for each replacement card via any available channel</li> </ul>	\$5.00 each

\*A Card is considered "active" if there are ongoing activities occurring on the card. The following are considered Card activities:

- Loads and Reloads
- Purchases
- Cash withdrawals
- Balance enquiries
- Consumer Website login
- VRU login
- PIN changes or attempts
- Calls to Cardholder support where the cardholder is successfully authenticated

i. The Bank will invoice the DA and the DA will pay the Bank.